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The National Weekly Newspaper of Fire and Casualty Insurance

Zurich-American Deploys Field Men For Maximum Marketing Job

By JOHN N. COSGROVE

Comments and questions on the functions and adequacy of field men continue to recur. Some agents have expressed a preference for fewer field calls, and those by men who are primarily technicians. A few agents have advocated semi or complete abolition of field men.

These agents may be overlooking the indispensable character of the field function because of the inadequacy of some of the men supposedly performing it.

The field function cannot be abandoned. If it were, agents would be the chief losers. The field job, however, must be drastically revised so that agents will be the chief beneficiaries. They will be, as conversion of field men to sales managers adds another production arm to their agencies. Some companies have been working toward that end for several years. A growing body of evidence suggests a new and more intelligent use of the field force by several companies.

Notable among them is Zurich-American group. Its latest effort in a continuing program to build volume through qualified agents is the "intensive prospecting drive"—a concentrated campaign in which the company's field talent is used in a novel way in selected territories. Field men help the local man improve agency representation and to build up service facilities.

Results of these campaigns have

been excellent. Not only has the company profited from the appointment of a substantial number of agencies, but it has established a tested method for determining the possibilities in given areas. The following results of a few selected territories will give an indication of the success of these drives:

In territory A, where the company had operated for many years without notable success, 16 new agents were appointed. In addition, 58 live prospects are being cultivated. Most of

these will undoubtedly become agents of Zurich-American.

In another territory, six agents were from various areas are brought in to appointed within 30 days after the initial call, and 70 prospects have been added to the branch office's prospect file. In still another territory, 17 new agents were appointed in the first 30 days, and 143 prospects remain open.

Finally, in another area, 11 agency appointments were concluded, 69 definite, short term prospects remain to be followed up, and 126 other agents indicated some interest. The latter can be considered long term prospects.

These campaigns enable the company to eliminate undesirable or unattractive agencies from further consideration. This in itself will result in a tremendous savings in time and expense.

From the foregoing, it can be concluded that the intensive prospecting type program has been an outstanding success. It has enabled Zurich-American to develop areas which heretofore had not been productive.

To put the intensive prospecting technique in proper focus it must be recalled that back in 1958 when Zurich-American put its marketing program—"Tomorrow's Business Today"—in operation, field men were assigned star roles and were retitled sales representatives. Since that time, they have primarily emphasized sales. They have been given training and refresher courses in selling principles

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Estimate \$4 Million Hail Loss For Texas, \$2,250,000 In La.

Storms In Shreveport And Dallas Areas Expected To Produce 35,000 Losses

Damage inflicted by a hailstorm last week at Dallas and other parts of Texas has been estimated at \$4 million by General Adjustment Bureau. National Board has assigned catastrophe No. 18 to this storm, and 20,000 losses, averaging \$200, are expected.

Areas involved were the Oak Cliff section of Dallas, North Dallas, Grand Prairie, Richardson and Plano. There were also scattered losses at Garland, Greenville and Sherman. The southwestern department of GAB headed by J. F. Miazza has set up temporary storm offices at Dallas, Oak Cliff and Grand Prairie.

Hail and wind last week caused estimated damage of \$2,250,000 at Shreveport and Bossier City, La. Damage was spotty, ranging from light to heavy over the entire area, and 15,000 losses, averaging \$150, are estimated. This storm loss bears catastrophe No. 16.

Here Comes New Texas Ranger

Incorporation papers of Ranger Ins. Co. of Houston, which will conduct a general casualty and fire business, have been approved by the Texas department. The proposed financial structure consists of \$200,000 capital and \$100,000 surplus.

Phillips Ends Long Career At U.S.F.&G.

Charles L. Phillips, vice-chairman of U.S.F.&G., has retired from active executive office. Mr. Phillips, formerly chairman and president, remains as chairman of the executive and finance committees of U.S.F.&G. and of Fidelity & Guaranty Life and as a director of both companies.

He joined the company in 1910 as claim superintendent at Chicago and was promoted to general claim superintendent at New York in 1919. He became vice-president and general manager of Metropolitan Casualty in 1923 when U.S.F.&G. acquired that company, and when control of Metropolitan changed hands, he returned to U.S.F.&G. as vice-president. He was named executive vice-president in 1939, president and chairman in 1955, and vice-chairman in 1960.

Mr. Phillips was for two terms chairman of the executive committee of Surety Assn. of America.



Charles L. Phillips

Far West Agents Hold Successful Meeting In Cal.

Problems of insurance producers in 10 western states were discussed in a productive atmosphere during the Far West Agents Conference last week at San Francisco. Curtis G. Shattuck, Juneau, was elected chairman of the conference for the forthcoming year to succeed J. B. Holden, Caldwell, Ida. A. L. LaBar, Billings, was elected vice-chairman, and Victor F. Stefan, Berkeley, was chosen secretary-treasurer.

The new program committee will be headed by Robert E. Battles of Los Angeles.

On the first day of last week's three-day session, specific problems were aired in a closed meeting of delegates from member associations. The following day, individual state association contact committees met with representatives of Pacific Fire Rating Bureau to work out these problems on a state-by-state basis.

The value of the meetings with bureau spokesmen was enhanced by the presence of Kent Parker, general manager Inter-Regional Insurance Conference. Mr. Parker took part in discussions with members of the IRIC Pacific Coast advisory committee headed by William H. Rusher.

Delegates to the conference said they were impressed with the aims and accomplishments of IRIC in handling problems of national scope. But the agents said they believed problems peculiar to the Pacific Coast should be handled at the regional rather than the national level, and they indicated the Pacific Fire Rating Bureau is doing an effective job in this respect.

Mr. Parker said a "farmowners" package policy will be introduced in the near future in western states.

There was general agreement among the agents that forms 202 WHA-2, 3, and 4, covering such exposures as windstorm and hail, should be consolidated into the extended coverage endorsement. It was learned later that such a change probably will be made the next time the EC form is revised.

In meeting with John Savage, Pacific Coast manager National Bureau,

(CONTINUED ON PAGE 41)



Honor graduates of North America's 60th training class with Bradford Smith Jr., president. From left: Robert E. Fried, Isaacs & Bernstein, Cincinnati; Al Blankenship, Palomar Ins. Corp., Montgomery; Mr. Smith, and Mike J. Ebner, Wadena, Minn. North America's training program, an eight week course in the principles of fire, marine and casualty insurance, was founded in 1947. More than 1,600 agents have completed the course.

Processing That Aims At Better Decisions Will Save More Money

The mere acquisition of a computer is fast losing its competitive advantages; in the future the competitive edge is going to the company that figures out how best to use the capabilities of the computer in the management of its business. E. S. Jones, director of systems research and electronic development of Nationwide Mutual group, told the electronic conference of American Management Assn. in New York.

Pointing out that his companies have not yet achieved a "complete blueprint of a management data oriented completely integrated data processing system," he said they are

headed in that direction. The group has been gradually moving into the processing of data since 1955. So far, the results have been:

1. Annual savings of more than \$300,000.
2. Exposure to errors reduced by at least 50%.
3. Mechanization of manual procedures which formerly was not feasible.
4. Reduction of report preparation time; e.g., one report from 116 hours to 41 hours; and elimination of manual manipulation of data after tab reports were completed.
5. Acclimation of employees to a computer operation.
6. Creation of a staff of skilled computer technicians.
7. Preparation of the companies for the next big step.

Emphasis On Auto

Mr. Jones reviewed the group's entry into data processing. There are four insurers—casualty, fire, life, and another casualty company writing merit-demerit auto business. The group operates in 26 states and serves approximately 3½ million policyholders. Annual premiums are approximately \$252 million. Automobile is the big volume line and that is where most of the electronic development emphasis has been placed to date.

The group has a vice-president for insurance operations (who reports directly to the president) to whom

report vice-presidents in charge of the normal operating functions of an insurance company: Sales, claims, underwriting, etc. Also reporting to him is a director of operations administration. Reporting to this director are department managers responsible for the functions of controls, procedures, services appraisal, accounting and statistical, which includes the data processing division, and systems research and electronic development. Thus supervision of the planning and of the operational function of electronic data processing are separated.

Except for life, health and group, insurance operations are entirely decentralized. All policyholder and claimant contact is with one of the 14 regional offices. There are no records whatsoever in the home office for the decentralized lines. Regional offices are headed by a resident vice-president who has the sales, claims, underwriting, personnel and services functions reporting to him. All of the regional data processing work is done within the services department. Each services department includes a tabulating division.

Implementing The Principle

This organization, which was implemented before computers, was actually implementing the principle of centralized data processing. It paved the way for the processing of all data in one organizational segment. Thus

(CONTINUED ON PAGE 46)

Offer Cash Sickness Bills In Eight States; Rebuffed By Three

Eight state legislatures in their current sessions have received compulsory cash sickness bills, and three assemblies have already rejected them. The bills were killed in Massachusetts, North Dakota and Nevada, while in Michigan, Minnesota, Illinois, Hawaii and Missouri the measures are still pending.

The proposals are patterned after laws in three states: California, which permits private insurers to compete with the state fund, Rhode Island, where a monopolistic state fund is administered as part of the unemployment act as in California, and New York. In the latter state, the law, which is administered by the workmen's compensation commission, limits the weekly tax on employees and requires employers to pay the balance.

A rundown on the pending legislation shows that the New York-type bills in Minnesota and Michigan are still in committee, as are two California-type bills in Hawaii. In Illinois, the bill is undergoing a hearing conducted by a judiciary subcommittee, and in Missouri a hearing is expected in April. Both measures are of the California variety.

Entirely Decentralized

The legislation in Massachusetts received its earliest demise in five years, never having got out of committee. Introduced for the first time in North Dakota, the Rhode Island-brand proposal got a do-not-pass in the senate committee and attempts to override this on the floor were beaten. The Nevada legislature adjourned, leaving the California-type bill to die in committee.

Opposition to the bills in Illinois, Nevada and Massachusetts was led by E. H. O'Connor, managing director of Insurance Economics Society, and a society spokesman appeared against the legislation in North Dakota.

Only four states—California, New York, Rhode Island and New Jersey—have compulsory cash sickness laws, the last being enacted in New York in 1949. Since then 199 bills have been introduced in 23 state legislatures and all have failed to pass. The deluge of proposals has slowed down to a trickle in the last five years, according to Mr. O'Connor, who attributes this to the large amount of group coverage that has been written.

Revise Ore. Fire Rates

A general revision has been made of fire rates in Oregon effective April 1.

Oregon Fire Rating Bureau member and subscriber companies, combined, expect to collect some \$459,000 more per year which is a statewide net increase to the companies of 2.5%. Rates on the following categories are being generally decreased: Offices and banks, hospitals, sprinklered risks, printing and allied risks, churches, and garages. Rates on buildings and contents in the following categories are being generally increased: Rural unprotected dwellings, hotels, theaters and other places of amusement, grain elevators, fruit and vegetable canning, packing or quick freezing plants and other food processing risks (except dairy, meat and fish products, or bakeries and confectionery products plants), metal-working risks, laundries and dry cleaning plants, and builders risks (buildings under construction-unoccupied).

End-Of-Month Bid Prices On Insurance Stocks Are Listed

Bid prices as of March 30 on the following list of insurance stocks is submitted by Cartwright, Valleau & Co., Board of Trade Building, Chicago. This is the list that appears monthly.

Company	12/31/59	12/30/60	3/30/61
Aetna Cas.	80%	96	125
Aetna Fire	76	91½	102
Aetna Life	85½	97½	101½
Agricultural	28	31¼	29
All Am. L.&C.	10	8½	11¼
Am. Equitable	18½	19%	22½
Am. General	33½	30½	42¼
Am. Home	40	41	47
American	26¼	27½	30%
Am. Motorists	14	17	17¼
Am. National	8%	7%	12
Am. Reins.	42½	41	45
Bankers Nat. Life	19	22	28½
Bankers & Ship	57	55	57
Ben. Std. Life	15½	15½	22½
Boston	33	31½	35
BMA	40	42½	66
Cal.-West States	56½	50½	56½
Camden	34	32½	34¼
Combined	33	37	63
Commonwealth Life	21¼	21	29¼
Conn. Gen. Life	354	400	208½
Continental Assur.	155	180	242
Continental Cas.	72	87½	106
Continental	54½	56½	59½
Corroon & Reynolds	148	15	17¼
Crown Life	167	225	280
Crum & Forster	68	72	87
Employers Reins.	53	61½	67
Empl. Group Assoc.	36	39¼	41
Farmers Und. Assn.	35	42	52
Federal	53½	57¼	70½
F. & D.	45*	43¾*	54*
Fireman's Fund	51¼	53¾	58
Franklin Life	77	76¾	109¾
General Am. Corp.	170	157	171
General Reins.	91	121	131
Glens Falls	34	39¼	40¼
Government Empl.	88	89	113
Govt. Empl. Life	59¾	64½	83
Great Am.	43	49½	63¾
Grt. Am. Life Und.	680	770	1050
Grt. Southern Life	83	69	79
Great-West Life	344	395	590
Gulf	37%	34¼	37½
Gulf Life	20½	18½	23¾
Hanover	39½	42¾	44½
Hartford Fire	50½	57¾	65
Hart. Steam Boiler	86½	91	102
Home	53	63	59
Ins. Co. of No. Am.	65	77	85
Ins. Shares Cert.	29½	34¼	41
Interstate F. & C.	15¾	14½	19½
Jeff. Std. Life	48¾	42	56¾
Jersey	35	34	35
K. C. Life	1420	1340	1630
Lamar Life	33	33	39
Liberty Natl. Life	62½	58½	51*
Life & Cas.	22	16¼	19
Life Companies	13%	12¾	12¾
Life of Va.	50	56½	78
Life Ins. Investors	17.64	17.89	21.06
Lincoln Natl. Life	98	92	113
Maryland Cas.	36¼	36%	42½
Mass. Bonding	38¼	39	42½
Mass. Indemnity	39½	39¾	43½
Mass. Protective	66	69	89
Merchants Fire	30¾	35	41
Midwest Un. Life	36	37½	42
Monumental Life	57	56½	66½
National Fire	142	123	126
National L. & A.	115	114½	139
National Old Line	15¾	15%	24¾
National Res. Life	158	148	167
National Union	36¾	36	44¼
Nationwide Corp.	37¾	28½	31
New Amst. Cas.	48¾	62	74
New Hampshire	51	52	57½
North Am. Life	14	14½	15
Northeastern	12	12¼	17¾
North Central Co.	9%	9¼	15¾

(CONTINUED ON PAGE 43)

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Nationwide Group Premiums Increase

Nationwide Mutual had earned premiums of \$187 million in 1960, 16.6% above 1959. Earned premiums of Nationwide Mutual Fire were \$26.6 million, an increase of 8.8%.

Assets of the auto company reached \$240 million, a \$30 million increase. Fire company assets were \$37.5 million, up \$4.6 million. Both companies had underwriting gains. The auto company's gain of \$6.2 million was

3.3% of earned income. Federal income taxes amounted to \$2.1 million. The fire company's underwriting gain of \$2.5 million was the highest in its history. Federal income taxes were \$287,000.

Nationwide General, a stock company established in 1958, expanded its merit-rated auto insurance business considerably but had an underwriting loss. Earned premiums of \$2.4 million were more than double the \$900,000 of the preceding year, and assets increased \$2.3 million to \$5.2 million. The underwriting loss was \$971,000 as

American Transfers Watson, Raises Others

American has transferred William M. Watson as casualty manager from Nashville to Greensboro, N.C. He succeeds Robert J. Schlosser, who has been promoted to assistant superintendent in the new marketing department at Newark. Joseph P. Proffer, underwriting supervisor at Nashville, has been promoted to succeed Mr. Watson.

compared with a loss of \$416,000 the preceding year.

Five New Officers Of Continental Casualty

Five officers have been elected by Continental Casualty.

Thomas G. Laughlin becomes a vice-president of both Continental Casualty and Continental Assurance. He joined the companies as director of college recruiting from the University of Minnesota where he was director of placement. As superintendent of education and training, he established the Continental-National Institute, an advanced insurance training school. He was named assistant vice-president in charge of personnel administration in 1957.

Calvin S. Ewald and George F. McDonnell have been elected assistant vice-presidents of Continental Casualty.

Mr. Ewald joined Continental Casualty as an actuarial trainee in 1952 and has served in both production and underwriting capacities in the special risks division. As assistant vice-president, he will be in charge of underwriting and product development for the commercial-special risks division.

Mr. McDonnell started with Continental Casualty in 1950 as a sales trainee and has served as superintendent of the commercial division and as the executive in charge of the independent lines division. He will be in charge of sales and sales promotion for the commercial-special risks division.

Howard A. Grauff and Robert B. Johnson are new assistant secretaries of Continental Casualty. Mr. Grauff, home office superintendent of underwriting, eastern division, joined Continental in 1939. He served in New York and Boston before moving to the home office three years ago. Mr. Johnson's advancement marks his 25th year with Continental Casualty, where he began his insurance career. He is home office superintendent of liability underwriting for the central division.

N. C. Bill Would Require Uninsured Motorist Clause

A bill has been introduced in North Carolina to require companies to include an uninsured motorist clause in all auto liability policies. A person could waive the uninsured motorist provision only on specific request.

The bill also would require the suspension of automobile registration certificates when a driver's license is suspended for traffic violations. It calls for a minimum security deposit of \$500 from any uninsured motorist who wants to continue driving while an accident case is being settled. The size of the deposit has formerly been discretionary with the state.

R. S. Smith To Kenosha

Richard L. Smith has been promoted from senior staff adjuster at Madison for Underwriters Adjusting to manager at Kenosha. He has been with Underwriters for 13 years in Nebraska and at several offices in Wisconsin.

Webb & Lynch Merged Into Flynn, Harrison & Conroy

Flynn, Harrison & Conroy, New York brokers, has absorbed Webb & Lynch. The address of the combined organization will be 99 John Street. Samuel B. Webb, J. Watson Lynch and John E. Lynch have been elected vice-presidents and directors of Flynn, Harrison & Conroy. In addition, John H. Lynch was elected a vice-president. John Langhorne is president of the firm.

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Black Of Home Sees Encouraging Trend

At the annual stockholders meeting of Home, Kenneth E. Black, president, expressed optimism concerning the company's future. He based this estimate on an increase in total assets from \$530 million in 1956 to more than \$625 million in 1960. In the same period, surplus rose from \$243 million to \$286 million.

Mr. Black also pointed out that the

expense ratio improved 1.8 in the last year, producing a saving over 1959 of about \$4,750,000. This improvement was in spite of large increases in unearned premium reserve and loss reserve, and a \$5 million loss on Hurricane Donna.

Affiliate Is Noted

Mr. Black noted that Home's affiliate, Peoples-Home Life, is not returning any income because it is being developed on a "ploughing back" basis. Peoples-Home Life has already increased its assets from \$35,900,000 at

the time of acquisition to more than \$40 million.

At the stockholders meeting it was voted to reduce the number of directors from 23 to 21. This decision is a result of the retirement from the board of J. M. Franklin and H. K. Park.

Max I. Tullis, Missouri special agent for Auto-Owners, will address the April 18 meeting of Iowa Assn. of Mutual Insurance Agents at Des Moines. Title of his talk is "Illuminate, Don't Complicate Your Product."

Darden At Chicago As Munich Re V-P

Thomas M. Darden has joined Munich Re as vice-president and manager of the new mid-west office in Chicago. Mrs. Ann T. Sanderson is also joining the company there.



Thomas M. Darden

Mr. Darden began his insurance career in 1946 with Johnson & Higgins (Ill.), and later became an underwriter with American Mutual Re. He was subsequently vice-president of A. E. Strudwick Co., before going with Underwriters Ins. as vice-president in charge of the reinsurance-assumed department and general agency business.

Mrs. Sanderson has been in the reinsurance business 15 years, first with American Mutual Re as an associate underwriter and later with Underwriters.

The new Chicago operation of Munich Re will temporarily be located in the McCormick Building and will move into permanent quarters in the new LaSalle-Jackson Building when it is completed this fall.

Agent License Bill, Other New Laws In S. D.

New laws in South Dakota enacted by the 1961 legislature are headed by an agents qualification bill that passed the senate 33-0 and the house 66-3 and was supported by the independent agents of South Dakota and by Commissioner Robert A. Hurlbut.



R. A. Hurlbut

Mr. Hurlbut, who took office Dec. 31 and was confirmed Jan. 10, will be entitled to appoint an investigator for the insurance department under the provisions of another bill. The legislature also decided to increase the salary of the commissioner from a maximum of \$3,600 to a maximum of \$12,000.

Other new laws set up regulations for advertising and for service of process on non-admitted insurers; add to the regulations of insurance company investments, and amend the act of regulating removal of insurance company records.

Pyramid Group Reports

The annual reports of Motor Vehicle Casualty and Farmers Equitable of Elmhurst, Ill., show total direct premiums of \$8,355,590 and an underwriting profit of \$17,995. Surplus to policyholders advanced \$205,966.

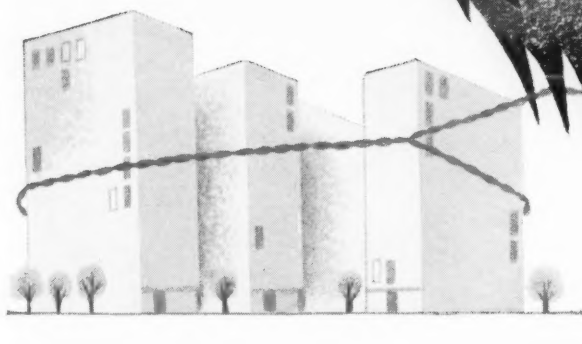
At the end of 1960, Motor Vehicle Casualty had a loss reserve of \$3,091,515, unearned premiums of \$2,784,155, and a surplus to policyholders of \$2,183,882.

Farmers Equitable, the economy auto affiliate, had a loss reserve of \$1,054,786, unearned premiums of \$699,097, and a surplus to policyholders of \$827,052.

Farmers Equitable Life ended 1960 with \$7,855,987 insurance in force, \$479,953 in surplus, and assets of \$553,391.

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Doctor Reeder Gives Formula For Controlling Medical Care Costs

Socialized medicine, of which social security medical care for the aged could well be a precursor, would be inferior and in sad contrast to the present American system which has produced the finest medical care in the world, according to Dr. Clifton L. Reeder, medical director of Continental Assurance.

Speaking at a meeting of Illinois A&S Forum in Chicago, Dr. Reeder said the present system is not perfect but many of the defects are being corrected. He described ways in which the public, hospitals, medical profession and prepayment plans could implement corrective measures to preserve and improve private medical care.

The public is sold on using hospitals and probably is too well sold, he said, judging by the number of patients admitted for the most trivial illnesses. He advocated an education program to show the public how excessive use of hospital facilities raises costs of hospitalization, and in turn, premium rates. This program must be undertaken by hospitals, the medical profession and all financing mechanisms, Blue Cross as well as insurers.

He added that if costs are thought to be high today, they are not nearly so high as they would be "if free hospital care was provided through taxation for all of our chronic aches and complainers and the ever prevalent free-loaders."

Dr. Reeder suggested two ways in which hospitals could help control costs. Since labor is the greatest factor in hospital disbursement, he recommended that more untrained personnel such as nurses aids be used to relieve nurses at their less scientific chores.

Another and more promising measure, he said, would be the establish-

ment by the medical staff of a review committee to determine if hospitalization is necessary. Such committees would take the burden of rejecting an unnecessary hospitalization off the shoulders of the personal physician.

Traditionally doctors have charged wealthier patients higher fees because these patients expected it and had the

ability to pay. However, health insurance creates a new ability to pay. "It is my belief that the ownership of health insurance does create in the minds of many doctors that this patient does have an ability to pay a higher fee than if this health insurance did not exist," he declared.

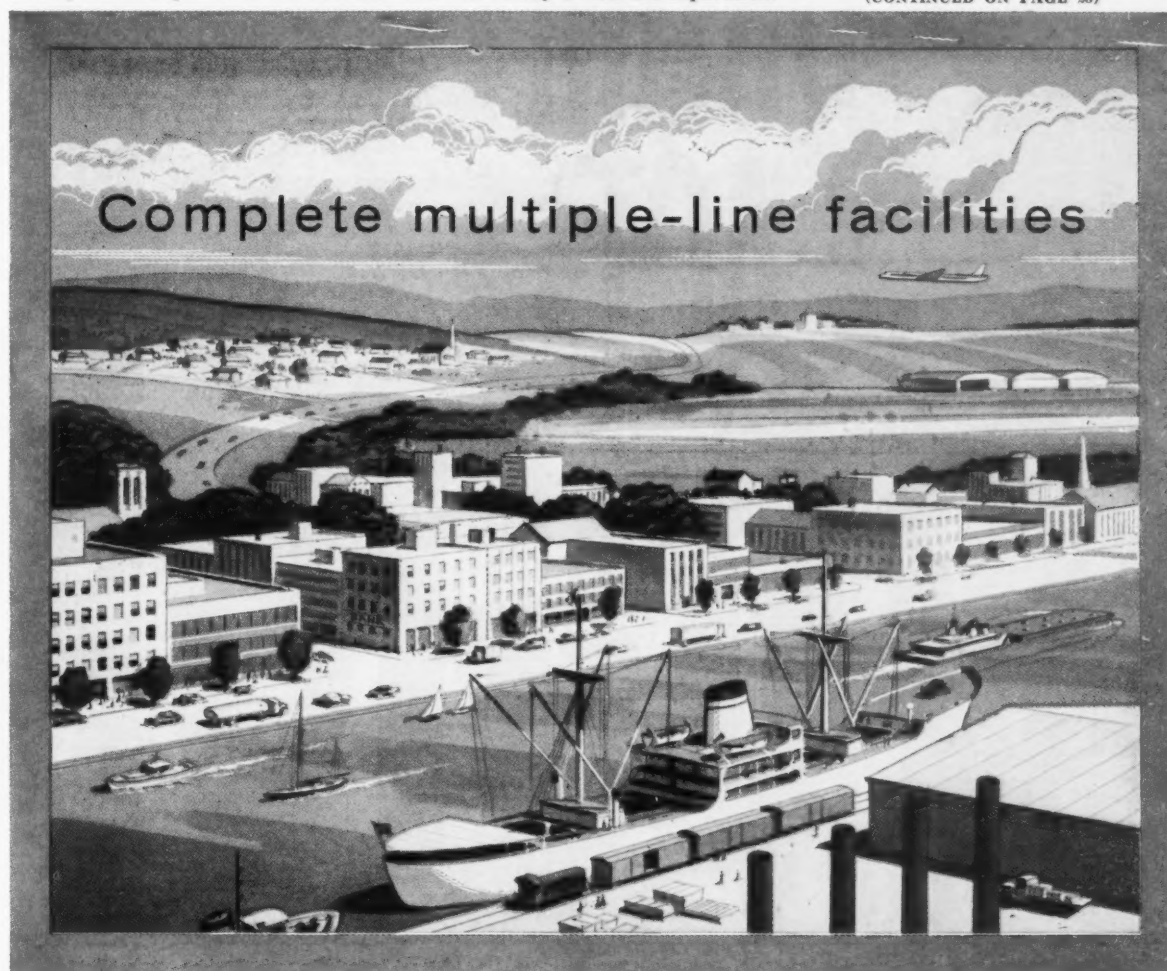
Must Accept Policy Schedule

"If we are to preserve the private practice of medicine as we know it today," he said, "the medical profession is going to have to give up some of its flexibility in the fee department

... and more and more fees as provided by prepayment plans will have to be accepted as full payment, especially for the lower income groups."

Dr. Reeder said there have been fees of \$1,500 to \$3,500 for surgery on people in the \$5,000-\$6,000 income bracket. These fees could not be paid without health insurance, and even with the coverage they should not be paid, he declared. "All fees for medical care including surgery must bear some reasonable relationship to family income and except for very unusual

(CONTINUED ON PAGE 28)



With the addition of Life and Accident and Health to our long established and growing capacities in strategic personal and commercial lines, we offer independent agents and brokers a uniquely coordinated traditional service.

Michigan Legislature Modifies Liquor Liability Provisions

LANSING—A spurt in the liquor bond and liability insurance business is anticipated in Michigan, with many companies again competing for the coverage as a result of final passage by the legislature here of a bill modifying provisions which had led to extremely adverse experience.

The measure, backed by Michigan Assn. of Insurance Agents and other elements of the industry, encountered bitter floor criticism in the senate but won approval by a 26-5 vote. The house, which previously had passed the measure, quickly approved minor senate amendments and the act now goes to the governor for his probable approval.

Some lawyer members appeared as the most vigorous opponents of the bill, Sen. Younger, Lansing, declaring it would "virtually waive" the liability of bars for damages arising out of intoxication on the part of patrons.

Major changes in the existing law are a shortening from two years to one year of the period during which suit may be brought on a bond or liability policy and elimination of the phraseology "contributing to" intoxication, fixing liability only against taverns proved to have "caused" intoxication of the person blamed for accidents or other torts. Sen. Younger claimed it would be almost impossible legally to prove a claim under the new language.



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Conn. Seen Averting Compulsory Threat

STAMFORD—Herbert R. Bland, Hartford, told an overflow audience at the western regional meeting here of Connecticut Assn. of Insurance Agents that a compulsory auto law does not appear to be in the cards in the state. However, the program backed by the association and by stock, mutual and independent interests may not be approved, Mr. Bland said, and Connecticut may have to settle for an unsatisfactory judgment type law. He hopes that such a law would not be like the New Jersey arrangement.

Mr. Bland, who is chairman of the association's legislative committee, explained that the Connecticut program advocated by a united front of the business involves uninsured motorists protection, tighter financial responsibility and accident prevention.

Frank Wagner, director of licenses and claims of the Connecticut department, echoed Mr. Bland's optimism when he said that despite publicity to the contrary, Commissioner Premo does not favor a compulsory auto law.

William F. Malloy, president of the Stamford board turned over to Eben Learned Jr., Norwich, state national director, a check for \$4,136, representing the local group's 100% subscription to the Big I campaign.

Four agents, who had fought the battle of direct billing across the state, in other regional meetings, wound up their discussion at the western gathering. John P. Bassett of Bridgeport and Charles P. Mahon of Hartford vigorously upheld the practice, while Bernard J. Burns, Milford, and Abbott Abercrombie, Darien, condemned it out of hand.

While they introduced no novel ideas on the subject, their discussion was characterized by good humor, and they shed more light than heat on the subject. Messrs. Burns and Abercrombie feared that direct billing of auto policies was a door opener to other impersonal handling with respect to other lines. Mr. Burns indicated that if direct billing were offered only as an "alternative" weapon in the agent's arsenal, he would have few qualms about it.

Mr. Bassett and Mr. Mahon said that their personal experience with direct billing was highly satisfactory and that it had not threatened their "independence."

The subject of direct billing invaded another panel on collections. Joseph J. O'Neil, Bridgeport, a highly successful collector who wound up last year with a balance owing of only \$12, has adopted the practice in his agency.

Richard W. Squeri, Branford, recommended a self imposed discipline for agents to spur their collections. He told them to get on a 30 day payment basis with their companies. This will prompt agents to get after lagging accounts, he said.

The western regional meeting was further distinguished in that it was the official swan song of Mary Batista, vivacious and capable assistant to William H. Wiley, executive secretary of the association. Miss Batista is going into foreign service April 14 as a secretary with the International Cooperative Administration and will spend the next two years in Tripoli. She will then return to the U.S. for reassignment.

Ban On Phone Soliciting Beaten

Columbus (O.) Life Underwriters Assn., Columbus Health Underwriters Assn., Columbus Mutual Insurance

Agencies, Columbus Auto Dealers Assn., and Insurance Board of Columbus were among the opponents who helped defeat a proposed city ordinance which would have banned telephone solicitations. The proposed law was termed "an infringement of free enterprise" and "a restriction on ethical business."

Believed To Be Oldest Hospital Policyholder

Employees Life of Chicago believes one of its policyholders is the oldest person owning hospitalization coverage. She is Mrs. Anna E. Rupel, Arlington, Cal., whose age at nearest birthday is 100. Mrs. Rupel's policy, which was issued in 1943, has been maintained in force without modification or reduction in benefits and her premium has remained the same.

Mich. Bill Would Include EDP Equipment Under Assets

LANSING, MICH.—Expensive computer equipment installed by insurance companies would be recognized as assets under a bill introduced in

the legislature here by four members of the house insurance committee. The bill would include in the definition of admitted assets, the "value of electronic data processing equipment, as defined in regulations to be promulgated by the commissioner of insurance, in an amount not to exceed the lesser of 2% of the company's admitted assets or the book value of the equipment."

Phoenix-London Names Dorway Special Agent

Phoenix of London has appointed Charles Dorway special agent for eastern Missouri and southern Illinois with headquarters at St. Louis. He will be under the supervision of R. K. Kitchen, manager of the western department.

The Green Bay, Wis., office of General Adjustment Bureau is in new quarters at 518 Doty Street. The office handles the upper part of Wisconsin and the northern peninsula of Michigan with W. H. Barnes, regional manager, in charge.

Employers Liability Promotes Zuendt

Employers Liability has appointed Theodore Z. Zuendt assistant deputy manager for casualty underwriting. He has also been elected vice-president of American Employers, Employers Fire, and Northern Assurance.



T. Z. Zuendt

He has most recently been superintendent of the home office casualty department and vice-president of Employers Surplus Lines Ins. He will retain executive responsibility for casualty underwriting, remaining as vice-president of Employers Surplus Lines.

Becker general agency of Moline, Ill., has moved to larger quarters at 2127 Fifth Avenue.



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Andover Group's 1960 Sales, Earnings Rise

Merrimack Mutual, Cambridge Mutual, and Bay State (the Andover group), wrote \$18,019,325 in premiums in 1960, an increase of \$692,523. Despite heavy tornado and hail losses in Oklahoma and Texas and more than 7,500 losses in Hurricane Donna, the companies added \$2,724,607 to assets and \$1,887,532 to surplus, after federal taxes and payment of \$2,000,713 in dividends to policyholders.

Investment income was 26% higher than in 1959, Edward C. Nichols, president, reported to the annual meeting. The stock portfolio appreciated 9.4%, compared with a drop of 9.3% in Dow-Jones averages.

Mr. Nichols said the group is inaugurating a program for increasing commercial lines. Visual sales aids have been prepared for use by agents in selling commercial risks and are being furnished free of charge.

N. Y. Mariners Club Elects Officers, Hears Speeches

At the March meeting of New York Mariners Club John W. Nevin of Appleton & Cox was elected skipper; John Campbell Jr. of R. A. Fulton Co., mate; Douglas Kicklin of Crum & Forster, purser, and Robert Vairo of Atlantic Mutual, yeoman.

After the election, E. Kenwood Hawley, casualty secretary of Atlantic Mutual described the motel form of the multi-peril package policy filed recently by Inter-Regional Insurance Conference. Following his speech there was a panel discussion of the form by Frederick B. North of Marine Office of America, Edwin Ryder of St. Paul F&M., Henry Eisenreich of Northern of New York, and John Murphy of Reliance.

Pawtucket Mutual Elects

A. W. Benson, former executive vice-president and secretary, has been elected president of Pawtucket Mutual. He succeeds C. A. Moffett, who has been elected chairman. F. B. Esau Jr., treasurer, has been elected to the additional post of secretary.

Badger Mutual Offers 'Self/Rate' Auto Plan For All Drivers

Badger Mutual has introduced its automobile "self/rate" plan in Wisconsin. SRP is a broad range merit rating procedure designed for all drivers including youthful and elderly drivers and motorists with unfortunate accident records. Three-month policy terms make for budgeting convenience.

Motors Elects Pennock, Herndon; Randol Retires

Motors has elected Joseph W. Pennock vice-president in charge of branch operations, and G. P. Herndon Jr. vice-president in charge of claims. Mr. Herndon succeeds Ward Randol, who has retired.

Mr. Pennock joined the company in 1929 and filled supervisory positions in the east and midwest, including that of regional manager at Kansas City. In 1946 he was appointed assistant manager of branch operations in the New York executive office.

Mr. Herndon joined the company in 1933 at Oklahoma City. He was manager of several branch offices in the midwest and for 10 years was regional manager at Detroit. He has been an assistant manager of branch operations since 1957.

Mr. Randol had been with the company for 35 years. He started in Kansas City and held executive posts in various territories. He has been vice-president in charge of claims since 1957.

American Mutual Liability Wrote \$87 Million In 1960

American Mutual Liability in 1960 had written premiums of more than \$87 million, an 11.2% increase. Workmen's compensation, the company's major line, increased by 12.3%, while other major lines showed similar increases.

Assets were \$175,825,360, at year end, compared with \$166,882,745.

A feature of the company's annual meeting was a demonstration of its recently installed large-scale computer. The new equipment will take over a large volume of policy writing, accounting, billing and statistical work and is expected to handle an increased volume of work with greater efficiency and lower costs.

Scibal Expands In N.J.

Scibal Adjustment Bureau has set up new facilities in northern New Jersey through acquisition of the Vincent Scully Adjustment Co. Headquarters will be maintained at 495 Main Street, Metuchen. The Scully staff will remain under the management of Arthur W. Burkhardt.

Atlantic Mutual Names Barnes

Atlantic Mutual has appointed John B. Barnes state agent at Minneapolis. He has been special agent there since 1958. Prior to joining Atlantic Mutual, he had been a special agent of North America.

CASUALTY POSITIONS

N350—Okla.—Cas. State Agt. \$9,000
Age to 40, college background. At least 8 years Oklahoma field experience.

N351—M. West—Comm'l. Lines Undr. \$8,500

Age to 35, college degree. Min. 5 years comm'l. lines underwriting experience.

N352—M. West—Legal Dept. Asst. \$8,000
Age to 30. Legal degree, 4 yrs. ins. co. exp. (Overall counsel duties rather than claims).

N353—M. West—Bond Spec. Agt. \$8,000
Age to 35, college background, 5 yrs. Fid-Sur. Field experience.

N354—M. West—Agency Under. (Cas.) \$9,000

Age to 40. Regular lines Casualty exp.—chiefly commercial background.

N355—South—Comp-Liab. Undr. \$7,500
Age to 35. College degree. 5 years specialization in Comp-Liab. under.

MANAGERIAL POSITIONS

N356—Chgo.—Mult. L. Prod Mgr. \$16,500
Amer. Agcy. Syst. Co. Age to 40, coll. degr. Interested only in man thoroughly exp. Direct Writer operation.

N357—M. West—Prod. Research Supv. \$12,000

Age to 40, coll. degr. Min. 7 yrs. ins. Co. Home Office exp.

N358—M. West—Fire Manager \$12,500
Age to 40, coll. degr. Mand. Require Undr/Prod. background.

N359—M. West—Cas. Clms. Mgr. \$12,500
Not over 40, legal degree mandatory. 8 years large Branch or Home Office exp.

N360—M. West—Fire Accts. Exer. \$12,000
Age to 35, college degree. Must have at least 5 yrs. exp. comm'l. fire accounts.

N361—M. West—Fire Und. Mgr. \$10,000
Age to 42. Min. 8 yrs. Home Office exp.

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FIRE POSITIONS

N362—M. West—Loss Admin. Asst. \$9,000
Age to 38. Min. 7 years H.O. Fire/Marine Loss experience.

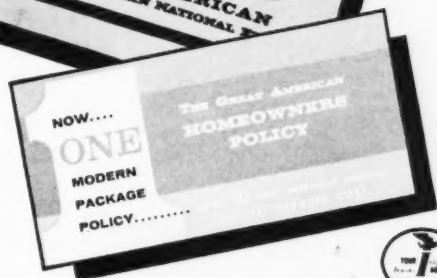
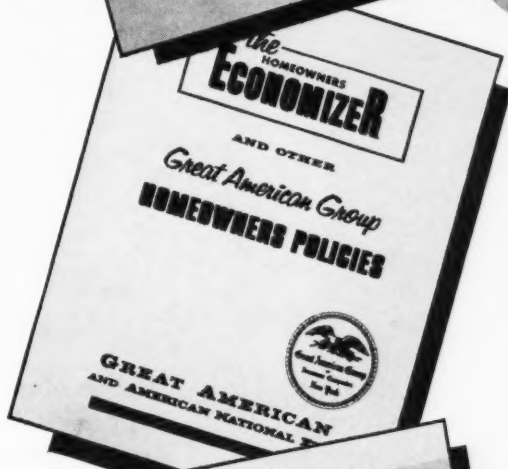
N363—M. West—Accounting Manager \$9,000

Age to 40. Min. 6 years Home Office Controller's Department experience.

N364—S. West—Senior Underwriter \$8,500
Age to 40. At least 9 years Personal/Commercial Fire experience.

N365—W. Coast—Marine Supv. \$7,500
Age to 35. Min. 5 years W. Cst. Exp. required.

N366—Ill.—Fire Spec. Agt. \$7,500
Age to 35. Will consider Underwriter, desirous of field position.



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U.S.F.&G. Promotes At Executive Level

U.S.F.&G. has promoted Stewart Brown and John D. Healey from assistant vice-presidents to vice-presidents. Robert A. Bolin, who was executive assistant in the agency and development department, has been elected assistant vice-president, and Henry Langhirt, who was general accountant, has been named assistant treasurer.

Mr. Brown joined U.S.F.&G. in 1935 as an attorney and was advanced to associate counsel and later tax counsel. In 1959 he was elected an assistant vice-president.

Mr. Healey went with the company in 1941. After holding various fire and marine underwriting positions, he was advanced to superintendent of the marine department and elected an assistant secretary. He was named to his most recent position in 1960 and elected an assistant vice-president. He is a member of the executive committee of Inland Marine Insurance Bureau.

Mr. Bolin started with the company at Atlanta in 1936. He was successively surety underwriter, surety superintendent and special agent. He was transferred as assistant manager to Columbia, S.C., in 1952 and later was advanced to manager there. In 1955 he went to the home office in his most recent capacity.

Mr. Langhirt, with U.S.F.&G. since 1930, became general accountant in the treasurer's department in 1955. He is assistant treasurer of F.&G. Underwriters. He is a past vice-president of Insurance Accountants Assn.

Rathbun Is American Marketing Official

American has formed a marketing department under Charles R. Rathbun, vice-president. The new unit will consist of three divisions: Advertising and sales promotion under Andrew E. Smith; product and service development under Thomas M. Irvine, and sales and market analysis under Garret W. Roerink. The three unit heads have been named



Charles R. Rathbun

superintendents.

Mr. Rathbun joined American in 1945 and after field work in several territories was promoted to manager at Los Angeles. In 1957, he was made resident vice-president at Portland, Ore., the position he held until last year when he was elected a vice-president and named assistant to the president.

Mr. Smith has been with American since 1954. Before that he was with several advertising agencies. He was named assistant superintendent in 1959.

Mr. Irvine joined the company in 1956 at Milwaukee and after several years as a special agent he was promoted to production supervisor and then to production manager there.

Mr. Roerink went with American in 1948. He has held key underwriting and research positions and has most recently been research analyst.

Timber Mutual Of Wis. Is Formed To Insure Against Forest Fires

Timber Mutual Ins. Co. of Fall River, Wis., has been organized to insure standing timber against losses from forest fires.

Curtis B. Smith, secretary and general manager, said that the company expects to be issuing policies within the next month.

Four categories of growing timber will be eligible for coverage: Merchantable tree growth, non-merchantable tree growth, merchantable Christmas trees, and non-merchantable plantations.

Timber owners may purchase insurance up to 75% of full value, with premiums adjusted according to the hazard for each individual tract.

Nuclear Pools Comment On Extension Of Indemnity

In response to queries by Atomic Energy Commission, Nuclear Energy Liability Assn. and Mutual Atomic Energy Liability Underwriters have opposed extension of indemnity to every licensee who is processing enriched uranium or fabricating fuel. The associations said that in some cases a licensee's operations may justify indemnification.

The insurance pools also indicated that if AEC decides to indemnify some or all fuel fabricators, simple criteria should be established in line with suggestions by Atomic Industrial Forum in order to determine the level of required financial protection. The pools did not state whether the amount of such protection should be the same in every case.

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Seaboard Surety's 1960 Report Shows Contractor Losses

Seaboard Surety had an underwriting profit before taxes of \$941,785 in 1960, down from \$1,050,109 in 1959. Underwriting profit after taxes was \$441,620 against \$519,892 in 1959. Written premiums totaled \$9,896,198, compared with \$9,768,997 in 1959. Policyholders surplus rose to \$18,175,895 from \$18,019,633.

Ratio of losses and loss expenses to earned premiums increased to 45 from 43.1 in 1959. G. B. Slattengren, president, pointed out that this was due to intense competition in the construction industry and the resulting frequency of contractor failures. Construction contract bonds develop the company's largest source of income. Ratio of incurred expense to written premiums was 40.5, down from 41.1.

Net premiums earned were distributed among the following classes: Fidelity, \$847,194, surety, \$6,354,874, and all other, \$2,257,291.

Investment income after taxes was \$887,176, against \$780,311 in 1959. The operating profit for the year was \$1,315,205 or \$1.78 a share, compared with \$1,292,842 or \$1.56 a share in 1959. Assets at the end of 1960 were \$34,706,561.

Royal-Globe Names 3

Royal-Globe has appointed Joseph M. Sullivan aviation representative at East Orange, N.J. For nine years he has been with the New York aviation department, most recently as an underwriter for eastern territories. He succeeds Joseph Wallace, former inland marine superintendent at East Orange, who will devote his full time to production of inland marine, burglary, glass and multiple lines.

Edwin P. Bendin has been appointed superintendent of the inland marine, burglary, and glass department at Atlanta. He has been with the group since 1954 as special representative and underwriter in the Atlanta region.

Convict Insurance Swindlers

LOS ANGELES—A San Fernando Valley physician, his brother, and an insurance claims adjuster have been found guilty and sentenced to varying terms by Los Angeles County superior court. They were indicted after in-

vestigation by the Los Angeles Claims Bureau of Assn. of Casualty & Surety Companies and the Los Angeles police forgery division. Charges ranging from violations of the insurance code to grand theft, forgery and conspiracy were lodged against the three men. The doctor was given a suspended 240-day sentence in the county jail, one year probation, and a \$3,500 fine; the adjuster received a total sentence of 330 days in the county jail, a \$250 fine and three years' probation, and the doctor's brother was given a suspended 180-day sentence, \$500 fine and one year probation.

Cargo Bureau Elects

National Cargo Bureau has elected Harold M. Jackson of William H.

McGee & Co. president to succeed Vice-Admiral George Wauchope, executive vice-president of Farrell Lines, who was president for two years.

Richard W. Berry, United Fruit Co., has been elected vice-president, and Emil A. Kratovil, Carpenter &

Harold M. Jackson

Baker, secretary.

Aetna Promotes Four In Controllers Unit

Aetna Fire has promoted Robert A. Werdelin from supervisor in the statistical department to assistant controller. He joined the company in 1952. F. Denton Wertz Jr., James P. Burgess Jr. and Theodore S. Blasko have been appointed assistant managers of general accounting, agency accounting and claims processing, respectively. Mr. Wertz and Mr. Blasko have been with the company since 1947 and Mr. Burgess since 1946.

Two Engineers Named

American Casualty has appointed Harold J. Karg supervisor of the safety engineering staff and Jay E. Taylor supervisor of the new fire inspection division.

Mr. Karg will be responsible for inspection work involving automobile, compensation and liability risks. In addition to his supervisory duties at the home office, he will assist engineers in the field. Mr. Taylor will train field engineers in making property inspections. Inspections of the larger risks will be his personal responsibility.

General Guaranty Elects Two V-Ps

General Guaranty of Winter Park, Fla., has elected Thomas W. Johnston, claims manager, and Patrick McKinney Jr., underwriting manager, vice-presidents. Mr. Johnston will continue as manager of claims and Mr. McKinney as manager of underwriting.

Florida Assn. of Insurance Agents will hold open house April 14-15 to mark the opening of its new headquarters at 3716 Neptune Avenue, Tampa.

Atlantic Mutual Names Broshar At Pittsburgh

Atlantic Mutual has named Charles H. Broshar manager at Pittsburgh to succeed the late Peter Field. Since joining the company in 1955, Mr. Broshar has been manager at Minneapolis.

Scibal Opens San Juan Office

Scibal Adjustment Bureau of Atlantic City, N.J., has opened a branch office in San Juan, P.R. Eduardo M. Vasquez has been named manager.



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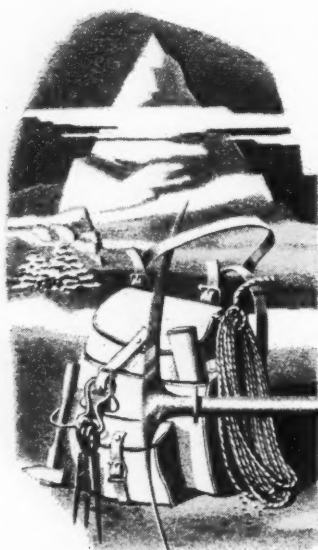
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Liability
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Plate Glass
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Life*

*In most states

Conventions

April 9-11, Florida mutual agents, annual, Galt Ocean Mile Hotel, Ft. Lauderdale.

April 9-11, Midwest Territorial Conference of NAIA, annual, LaSalle Hotel, Chicago.

April 9-11, New York mutual agents, annual, Hotel Syracuse, Syracuse.

April 9-13, National Assn. of Surety Bond Producers, annual, St. Francis Hotel, San Francisco.

April 11-12, Arkansas mutual agents, annual, La Fayette Hotel, Little Rock.

April 12, Houston Society of Insurance Management, spring conference, Shamrock Hilton Hotel.

April 14, National Assn. of Insurance Commissioners, unauthorized insurance committee, Sherman Hotel, Chicago.

April 16-18, Alabama mutual agents, annual, Town House Motel, Mobile.

April 16-18, Eastern Agents Conference, annual, Sheraton Hotel, Philadelphia.

April 17-18, Iowa mutual agents, annual, Savery Hotel, Des Moines.

April 17-18, Ohio mutual agents, annual, Neil House Hotel, Columbus.

April 17-19, National Assn. of Insurance Agents, midyear, Philadelphia.

April 18, Milwaukee I-Day, annual, Schroeder Hotel.

April 19, Chicago I-Day, annual, Conrad Hilton Hotel.

April 20-21, Missouri mutual agents, annual, Hotel Governor, Jefferson City.

April 20-21, Southern Claims Conference, annual, Dinkler-Plaza Hotel, Atlanta, Ga.

April 23-25, National Assn. of Insurance Commissioners, Zone V, Town House Hotel, Omaha.

April 23-27, American Assn. of Managing General Agents, annual, Camelback Inn, Phoenix.

April 25-27, National Assn. of Insurance Commissioners, Zone II, Dupont Hotel, Wilmington.

April 27, Insurance Rating Bureau of District of Columbia, annual, Army & Navy Club, Washington, D. C.

April 27-28, National Assn. of Casualty & Surety Agents, midyear, Sheraton-Belvedere Hotel, Baltimore.

May 1-2, Minnesota mutual agents, midyear seminar, Pick-Nicollet Hotel, Minneapolis.

May 3-5, Casualty Actuarial Society, midyear, Concord Hotel, Klamath Lake, N. Y.

May 4-5, Central Claim Executives Assn., annual, Arlington Hotel, Hot Springs, Ark.

May 4-5, Conference of Mutual Casualty Companies, claim conference, Conrad Hilton Hotel, Chicago.

May 5-6, Louisiana agents, annual, Edgewater Gulf Hotel, Edgewater Park, Miss.

May 5-7, Montana mutual agents, annual, Diamond S. Ranchotel, Boulder, Mont.

May 7-9, Alabama agents, annual, Russell-Erskine Hotel, Huntsville.

May 7-9, Virginia & D. C. mutual agents, annual, Williamsburg Inn, Williamsburg.

May 7-10, New York State agents, annual, Syracuse Hotel, Syracuse.

May 8-10, Health Insurance Assn., annual, Biltmore Hotel, New York City.

May 8-11, National Assn. of Insurance Brokers, annual, Fairmont Hotel, San Francisco.

May 9, Assn. of Casualty & Surety Companies, annual, Waldorf-Astoria, New York City.

May 9, Wisconsin agents, midyear, Hotel Lorraine, Madison.

May 9-10, Insurance Research Fund of University of Wisconsin, Symposium on Workmen's Compensation in a Dynamic Society, Wisconsin Center Buildings, Madison.

May 12-13, Mountain States mutual agents, annual, Harvest House, Boulder, Colo.

May 12-13, Oklahoma agents, annual, Biltmore Hotel, Oklahoma City.

May 14-15, Nebraska mutual agents, annual, Town House, Omaha.

May 14-16, Iowa agents, annual, Savery Hotel, Des Moines.

May 14-16, Pennsylvania agents, annual, Bedford Springs Hotel, Bedford.

May 14-17, Insurance Accounting & Statistical Assn., annual, Biltmore Hotel, Los Angeles.

May 16-19, Insurance Company Education Directors Society, annual, Wagon Wheel Lodge, Rockton, Ill.

May 16-19, National Assn. of Independent Adjusters, annual, Sheraton Towers Hotel, Chicago.

May 18-19, Arkansas Agents, annual, Arlington Hotel, Hot Springs.

May 18-20, Texas agents, annual, Galveston.

May 19-20, North Carolina Health Underwriters Assn., sales congress, Barringer Hotel, Charlotte.

May 21-23, Tennessee mutual agents, annual, Riverside Hotel, Gatlinburg.

May 22, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach Hotel, Chicago.

May 22-24, American Mutual Insurance Alliance, Edgewater Beach Hotel, Chicago.

May 23-24, Illinois Bureau of Casualty Insurers, annual, St. Nicholas Hotel, Springfield.

May 25, National Board of Fire Underwriters, annual, Commodore Hotel, New York City.

May 25-26, Underwriting Executives Council, annual, Neil House, Columbus, Ohio.



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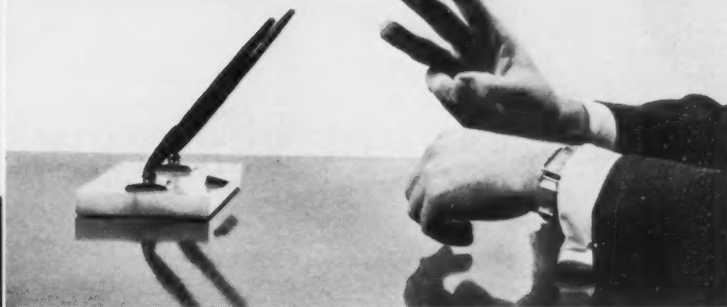
Q. Mr. Horn, in the five years you've headed The McIntosh-Bowers-West Company, what would you say has been INA's major contribution to agents?

A. The "packaging" concept, without a doubt . . . combining multiple lines in one streamlined policy.



Q. Of course, INA's package pioneering has been in personal lines . . .

A. . . . right! But now they're coming along with commercial and industrial lines as well. Here in Ohio we have Motel, Funeral Directors, Apartment Buildings and Office Buildings.



Q. Beyond designing the packages, what aid does Insurance by North America offer the agent?

A. INA's technical services are a big help to us—and to the insured . . .



The INA estimators and safety engineers are highly trained. They're on the job full time. Few companies offer this kind of service.



Q. There have been a lot of pros and cons on continuous billing, Mr. Horn. Where do you stand?

A. Definitely pro! With our operation, continuous billing permits our small group to handle a lot of business—rids us of a big inside work load.



Q. Maybe our readers would like to hear more of your ideas on INA's packaging.

A. Wish I could talk more on package policies, but we're running out of space. However, I'd love to hear from any agent who's interested. Just write me, Charles Horn, CPCU, 812 Akron Savings & Loan Bldg., Akron 8, Ohio.



Aetna Life Backs Aid To Colleges

Aetna Life group has established a program of aid to higher education, including a new incentive payment feature that could increase the group's contribution by 25%. Under the plan, the group will match contributions made by its employees to universities and colleges, up to a maximum of \$500 a year for each employee.

The group will also increase its matching contribution by 25% if more than half an institution's alumni are

contributors, boosting the group's maximum donation to \$625.

Other features of the plan provide that contributions made by the wife of an employee will be matched, that an employee or his wife need not have attended the institution to which they contribute to have their donation matched, and that eligible schools include universities, colleges, junior colleges, professional schools, and graduate schools.

Henry S. Beers, president, in announcing the plan, stated that through this program of matching grants, and

particularly through the incentive payment feature, the company hopes to encourage not only its own employees but also college alumni everywhere to join in support of higher education.

St. Lawrence Group Names West, Dorazio

St. Lawrence group has named Morris R. West claim supervisor and Barry Dorazio manager of the IBM data processing department. Mr. West has been chief adjuster and Mr. Dorazio tabulating supervisor.

'Trial' Is Feature Of N.J. Claims Seminar

Approximately 400 claims men will meet April 15 at the Essex House in Newark in the first insurance claims seminar to be held in New Jersey. They will consider the newest scientific techniques in the investigation of accidents, the most effective means of reporting the results of such investigation and the simplest and most reliable methods of fault analysis. The seminar is being sponsored jointly by the claims managers of the companies signing the Inter-Company Arbitration Agreement and by Newark Casualty Claim Managers Council. Participating will be staff adjusters, examiners, supervisors, attorneys and managers.

The morning session will be devoted to a "moot court trial" of a "no eye witness case." Judge Foley of the appellate division of the New Jersey superior court will preside. Representing the plaintiff will be Samuel A. Larner of Budd, Larner & Kent, and appearing for the defendant will be Henry G. Morgan of Schneider, Lustbader and Morgan. These two Newark attorneys are leaders in the negligence trial field. The luncheon speaker will be Francis Van Orman, executive vice-president American.

The afternoon session will be conducted by Dr. J. Stannard Baker, Northwestern University. He will appear as the "expert" in the moot trial, and in the later session will demonstrate the source and methods of securing evidence, particularly in those cases where there appears to be none.

Wilbur A. Stevens, claim manager Hartford Fire is seminar chairman, and A. Frank Martin, claim manager Employers Mutuals of Wausau, is co-chairman.

N. C. Files Increased Surcharges On AR Plan

A revised schedule of surcharges for assigned risks has been filed in North Carolina. The filing would provide for surcharges ranging from 25% for the first speeding offense and minor infractions up to 150% for major violations.

Companies would be permitted to charge as much as 250% above the base rate where multiple offenses have been committed. Currently the highest surcharge is 102.5%.

The filing would make the surcharges applicable for offenses committed within 36 months of the date of assignment. Commissioner Gold has scheduled a public hearing on the filing for April 14.

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Traffic Deaths At 11-Year Low

Motor vehicle deaths for the first two months of 1961 reached an 11-year low, according to estimates of the National Safety Council. The January-February toll of 4,970 showed a 5% reduction from the 5,250 deaths recorded for a comparable period in 1960 and was the lowest since 1950, when 4,719 persons were killed in traffic accidents.

Fatalities in February totaled 2,320. This was 2% lower than the 1960 toll of 2,370, and the fourth consecutive month to show a decrease over the same month a year earlier.

American Raises Three In Managerial Changes

American has promoted Anton C. Koerner to casualty manager at Hartford and John T. Dickehut to production manager at Houston. Mr. Koerner succeeds Kim Johnson, who has been transferred to the home office data processing department.

Mr. Koerner joined the company in 1932 as an underwriter at New York. He was later named supervisor at Providence. He returned to New York and was transferred in 1947 to Hartford. He is president of Hartford Casualty Underwriters Assn.

Mr. Dickehut was with a general agency in Dallas before joining American in 1953. He was named special agent in San Antonio and in 1958 was transferred to Houston as production supervisor, his most recent position.

Mr. Johnson joined the company in 1936 as an underwriter at Chicago. In 1948 he was promoted to the home office underwriting department. He was named casualty manager at Hartford in 1951.

Brokers To Eye Two Big Issues At S. F. Annual

Proposed amendments to the strict all-industry type rating laws and possible model legislation or guiding principles to provide reasonable and ready access to the non-admitted market for American insured who need such coverage will receive priority attention from the officers and directors of National Assn. of Insurance Brokers at the annual meeting at San Francisco May 8-11.

The four day session will be principally concerned with reviewing reports of officers, committees and staff on subjects of concern to brokers and insured and making policy decisions. The election will be May 11. Insurance Brokers Assn. of California and Society of Insurance Brokers will entertain visiting delegates and their wives at a number of social functions in the evenings after the working sessions.

National Claims Service Names Manager At Memphis

Thomas E. Crawford has been appointed Memphis manager of National Claims Service, subsidiary of Markel Service. He is past president of the Memphis Claims Assn. and was formerly with Home.

NFPA Annual Meeting

At its annual meeting in Detroit the week of May 15 National Fire Protection Assn. will deal with proposed changes in the national fire codes, arson trends, aviation fire safety problems, church fire protection, nursing home safety, fire department dwelling

inspection programs, explosion hazards, safe disposal of flammable and reactive materials, and industrial processing and plant operation fire problems.

There will be a concurrent meeting of Fire Marshals Assn. of North America, a section of NFPA.

Inland Marine Insurance Bureau has filed a new application and inspection report form for use in submitting bridge construction risks. The form will be incorporated in the manual with the next bureau revisions.

Ill. A&S Sales Congress Set For Aurora April 29

Scott Crozier, assistant vice-president of Mutual Benefit H.&A., will be keynote speaker at the annual meeting and sales congress April 29 of Illinois Assn. of Health Underwriters at Aurora.

Also on the program will be Herbert C. Graebner, dean of American College of Life Underwriters, who will be the luncheon speaker, and G. Herbert True, marketing consultant. A panel moderated by Jack Olson, vice-

Columbus Health & Life Group Elects John Revel

The newly organized Columbus (O.) Health & Life Assn. has elected John Revel, Ohio State Life, president.

Other officers are Max Clemons, Mutual Benefit H.&A., vice-president; J. W. Didion, Nationwide Mutual, secretary, and Ruth Shackart, Globe Assurance, treasurer.

president of Combined of Chicago, will discuss combining life and health sales, and franchise and association business.

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Are you being left out where large, profitable commercial accounts are concerned? Let Afco open the door for you!

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For you, Afco means bigger sales, bigger commissions, lower operating costs. It means

you can meet competition on all fronts—bring in, or hold onto, large commercial accounts. And it means you can package policies of more than 500 agency insurance companies in one payment schedule.

The Commercial Accounts Department at each of Afco's offices provides fast, individualized service and will tailor-make a payment plan to suit the requirements of a particular businessman. Afco's attractive rates on commercial accounts are generally lower than bank rates. Even lower quotations will be made for accounts over \$20,000.

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Cites Need For Surplus Lines Market

A warning against a rush of legislation on surplus lines was issued by Bernard J. Daenzer, president of Wohlreich & Anderson, New York, in a talk at the February meeting of Philadelphia chapter of CPCU. In his opinion, the Senate anti-trust and monopoly subcommittee was not looking for abundant legislation on surplus lines. The investigators felt that the real trouble lies in rating bills. The subcommittee wishes to foster competition, not to deter it.

There are some insurers who would like to point to the subcommittee activity as an excuse to restrict the foreign non-admitted market, Mr. Daenzer continued. They do not wish to write surplus lines and do not wish to permit others to do so.

Some insurance department officials feel that admitted insurers must be protected because of their large tax payments and the fees they spend for state examinations every three or four years. Actually, in the last 20

years, there has been a 4% federal tax on non-admitted insurers against a 1½% average tax on domestic insurers. State unadmitted taxes are two to three times higher than those on the domestic companies, Mr. Daenzer asserted.

Professional consultants, agents and brokers should do everything in their power to support the rights of buyers, Mr. Daenzer maintained, and should strive for a sensible, orderly and convenient access to the non-admitted market.

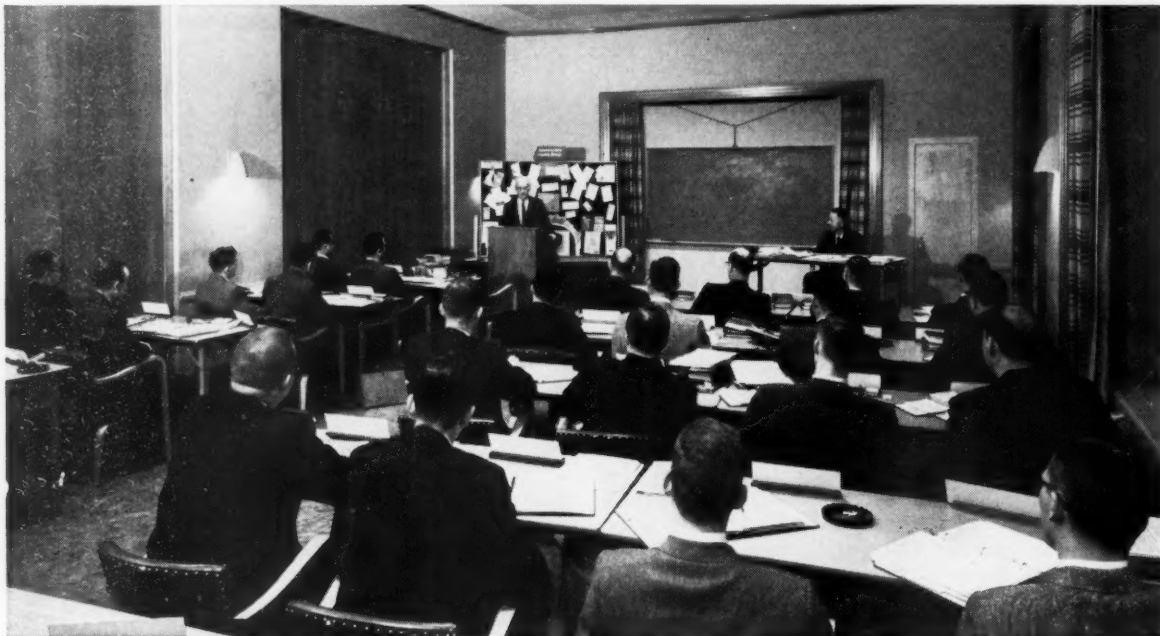
A world-wide market is indispensable

for certain classes of business, he continued. There are certain problems which must be tackled with imagination, initiative and a willingness to experiment—all hallmarks of Lloyd's.

Domestic insurers do a better job on the bulk of business which lends itself to mass treatment, in Mr. Daenzer's view. These insurers have the big problems of automobile, homeowners and allied covers. It is not always easy for them to take time out to tailor a contract for a single risk. These insurers are still fighting the battle of the rating bureaus. They must support pooling experience and standardized forms to make experience credible.

These companies have internal jurisdictional problems which make it difficult to "mix perils" handled on different floors of the building, or in different buildings. They must satisfy the needs of the least common denominator. Sometimes the provincial attitude of such companies makes it hard to cope with a risk with exposures all over the world.

Lloyd's provides the vital service of
(CONTINUED ON PAGE 39)



THEY'RE GETTING THE ANSWERS—

**On How to be Better Insurance Men . . .
More Valuable to Their Clients and to Themselves**

These young insurance agents from 22 states are engaged in an intensive six weeks' study period, covering all branches of fire and casualty business, at America Fore Loyalty Group's School for Agents at its home office in New York.

This school is characteristic of the way America Fore Loyalty Group looks at this complicated business of insurance. The individual homeowner, the manufacturer, the merchant and everyone else who owns property need the services of a professional insurance agent or broker. The agent can attain professional status only by constant study and practice. We think the best foundation for such study is a rugged course in insurance fundamentals such as we teach in our School for Agents.

In like manner, it is important that every America Fore Loyalty Group person who deals in any way with the customers of our agents should be well informed and well trained. That is why we also conduct schools for fieldmen, underwriters, claims adjusters, payroll auditors, inspectors and many others on whom our agents must depend to service their customers.

The America Fore Loyalty Group man is an expert in his field. We invite you to take full advantage of the facilities he offers you.



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Kansas Claims Assn.

Annual Meeting May 5

The annual meeting of Kansas Claims Assn. will be May 5 at Kansas City. There are 180 members of this group, representing companies, self-insurers, and bureau and independent adjusters. Kansas Claims Assn. was organized in 1953.

The program May 5 will include talks by Edward Ruzicka, claims manager American at Kansas City, Mo., on "The Arbitration Committee;" A. L. Plummer, general attorney Bruce Dodson Co., Kansas City, Mo., on "Compensation for the Traffic Victim;" R. M. Ryan of Frank L. Erion Co., Chicago, on "Handling Both Losses;" F. D. Lewis, law school dean University of Kansas City, on "Liability Beyond the Policy Limits;" and John A. Kennedy, John A. Kennedy & Associates, on "Fire-Arson-Subrogation."

A panel of members will answer and discuss questions on bonds, workmen's compensation, and general fire and casualty lines. At the end of the day new officers will be elected and there will be a banquet that evening.

Thomas N. Mathers has established **Mathers & Co.**, an investment counseling firm at Chicago to serve insurance companies, individuals, employee pension funds, banks and trust departments of banks. Mr. Mathers has been in the investment counseling business for 15 years; for the past eight years as president of Security Counselors Inc. Prior to that he was with the Northern Trust Co.

The **Earl N. Merriman** agency of Plymouth, Mich., has merged with the C. O. Finlan & Son agency there. The Finlan agency dates from 1916 and the Merriman agency from 1953.

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WIDE WORLD PHOTO, A.P. RELEASE

WE NEVER GOT A HIT... YET WE "ASSURED" THE SERIES FOR PIRATE FANS

Pittsburgh, October 13. So far, the Bucs and Yanks have split . . . three games apiece. Now it's the last of the ninth in the final game . . . tie score. After 62-and-a-half nerve-shredding innings—until Pirate Bill Mazeroski's fence-clearing blast—the outcome of the 1960 World Series remained in doubt.

But never in doubt was the fact that every Pittsburgh fan who'd been mailed a World Series ticket would get a

chance to see his game—if it were played. Pirate management and the specialists at National Union Insurance Companies had seen to that. Each of the thousands of mailings of World Series ducats was covered by a specially designed National Union policy.

This package was created and sold by an *Independent Agent* . . . typical of the outstanding professionals who prepare and service America's finest insurance.



National Union Insurance Companies
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Casualty • Fire • Inland Marine • Ocean Marine



American Elects Two In Data Processing Unit

American has elected W. G. Soderstrom and Harry Tuncil assistant vice-presidents in the data processing department.

Mr. Soderstrom joined the company in 1934 as office manager at Rockford, Ill., and later held that position at the home office. In 1945 he was named assistant manager in charge of systems, procedures and internal operations at Rockford, a position he held until 1957, when he was appointed

assistant branch manager at Chicago. Two years later he was promoted to superintendent in the home office data processing department.

Mr. Tuncil started with the company in 1921 and worked in several home office departments until 1931, when he was transferred to the accounting department of the Newark branch. He filled similar positions in other branches and in 1946 was promoted to superintendent of accounting at the home office. Most recently he has held executive positions in office systems and procedures operations.

Holds Water Loss Under Auto Comprehensive

Louisiana court of appeal in *Graves vs Springfield F.&M., 21 CCH (Auto 2nd) 1434*, held automobile comprehensive physical damage insurance to cover damage to the engine of an insured truck from water which got into the engine after the automobile, while going around a curve, went into a puddle of water and skidded into a ditch which contained considerable water. The comprehensive insuring clause states that damage from several

listed causes, "water" being one, "shall not be deemed loss caused by collision or upset."

This argument has risen many times. Prior to the writing of comprehensive coverage, a number of old cases held, in connection with collision insurance, that damage from an automobile plunging or falling into a body of water constituted "collision" and was recoverable under collision insurance. Under comprehensive physical damage insurance, where no collision insurance was carried, there have been a number of attempts to collect these losses by virtue of the specific assumption of damage by "water." The insured failed to do so several years ago in *Harris vs Allstate, 309 N.Y. 72*, where the insured automobile also skidded in a puddle while being driven during a heavy rain and went over an embankment. There was a well publicized lower court holding in favor of coverage, but this was eventually reversed by the New York court of appeals. The *Harris* case is not mentioned in the opinion in the *Graves* case. The difference may have been that in the New York case the damage involved was from impact of the automobile with the ditch, while in the *Graves* case the damage claimed was from water entering the engine and ruining it. The whole opinion in the *Graves* case is rather hazy, nothing being said about the exclusion of damage by collision or upset and the matter apparently turning upon whether the insured had established the facts he claimed and whether he failed to preserve his property by driving the automobile away after it was pulled out of the ditch, thus breaching his policy. Basically, this case amounts to the appellate court upholding a trial court judgment on the facts.

Harleysville Opens 28th Branch In N.C.

At the ceremony marking the formal opening of the Harleysville Mutual group's Greensboro, N.C., office, located at 811 Summit Avenue, Arthur A. Alderfer, president of Harleysville companies, and Mayor George Roach of Greensboro presented the keys of the office to Dale T. Bennett, manager.

The new service office for the Carolinas has been furnished with modern office equipment, furniture, and lighting. It is the 28th branch office of the group.

Kemper Group Names Two In A&H Department

Charles R. Miles has been appointed sales manager of the group and professional division of the Kemper group A&H department, and Richard T. Albert has been named to the sales supervisory staff.

Mr. Miles has been with the A&H department since 1948, starting as an underwriter in the home office. He was at Newark and New York before transferring back to Chicago in 1952.

Mr. Albert formerly was with a health service organization. He began his insurance career as a broker.

American Advances Beck

American has named Kenneth J. Beck claim manager at Des Moines to replace William F. Baker, who has been assigned to other duties in the claim unit there.

Mr. Beck joined American in 1949 as a claim adjuster at St. Louis. In 1955 he was named claim examiner in the head office, his most recent position.

Nothing is more gentle
than smoke—
nothing more frightful!

(Victor Hugo, 1802-1885)

The smoke that heralds an unfriendly fire is indeed frightful. But it may also be useful! There are many places where the smoke itself can be utilized to give an automatic signal so swiftly that fire can be smothered while still in its smoldering stages.

ADT automatic smoke detection and alarm service goes into action at the first tell-tale puff of smoke, and by being faster than the flames, can save untold damage in areas such as:

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The system operates automatically to call emergency forces and to sound a local alarm. In duct systems it will also act automatically and simultaneously to shut off air-circulation fans and close dampers.

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A N A T I O N W I D E O R G A N I Z A T I O N



House Committee Won't Rubber Stamp Kennedy Social Security Bill

WASHINGTON—The House ways and means committee has refused to go all the way with President Kennedy in his proposed five-point amendment to the social security law. The bill is expected to be taken up in the House after the Easter recess.

It is estimated that under the bill's provisions, 3.6 million social security beneficiaries would receive higher benefits.

However, the committee did not vote, by half, the tax increase recommended by the President, nor did it vote to increase the wage base, to liberalize the disability program, to increase widow's benefits 13½% (only 10%), nor increase the minimum benefit from \$33 to \$43 per month (only to \$40).

The ways and means committee reported it would recommend the following changes in law:

—The minimum benefit will be raised from \$33 in the case of the primary insured to \$40 per month.

—The widow's benefit will be raised from 75% to 82½% of the amount of the primary insured husband.

—The retirement age for men will be reduced to age 62 on an optional basis with an actuarial reduction.

—The insured status provision will be changed from one quarter of coverage out of each three quarters elapsing between 1950 and the date of reaching retirement age to one out of four such quarters elapsing.

—The foregoing provisions would become effective with respect to the first month beginning on or after 30

days after enactment, and would be financed by an increase of ½% each on employers and employee, and 3/16% on self-employed, effective Jan. 1, 1962.

Fire Protection Engineers Slate N.Y. Safety Session

New York chapter of Society of Fire Protection Engineers, in conjunction with Greater New York Safety Council, will hold a fire protection session at the safety convention and exposition sponsored by these two groups at 2:30 p.m., April 11, in the Statler-Hilton.

Chairman for the session will be Alan Kling, Factory Mutuals, president of the chapter. S. F. Spence, American Cyanamid, will describe flammable liquids from original containers to process, and Clark F. Jones, NFPA, will discuss the handling of flammable gases.

N.J. Fire Unit Elects

Fire Insurance Rating Organization of New Jersey has elected Charles A. Dupuis, America Fore, chairman, and John L. Magenheimer, Commercial Union, vice-chairman.

Named to the governing committee were Camden, Hanover, Hartford Fire and Standard Fire of New Jersey.

Continues 'Suburbanization'

As part of its "suburbanization" program, Allstate will lease a large new building in northeast Jackson, Miss. Its Jackson regional office is currently located in the downtown area. The new building will contain more than 46,000 square feet of office space, complete air-conditioning, off-street parking, and a cafeteria.

Belnap, McFarland Are Promoted By Northwestern Mutual

Northwestern Mutual has promoted Keith Belnap to intermountain department manager, with headquarters in Salt Lake City. He succeeds Jack R. McFarland who becomes assistant department manager of the northern California department in San Francisco.

Mr. Belnap has been special agent at Salt Lake City since 1948. His area

of responsibility as intermountain manager will be Utah, Nevada, Colorado, Wyoming and southern Idaho.

Mr. McFarland joined Northwestern Mutual after adjusting experience. His first assignment was as special agent in charge of Denver. In 1958 he became department manager.

Insurance Women's Club of Staten Island, N. Y., will be hostess for the annual convention of Federation of New York Insurance Women's Clubs April 21-23 at New York. Members and officers of 21 clubs will attend.

GROWTH

in an insurance company represents many factors. There are the factors of policyholders and premiums; of assets and surplus; of savings to policyholders; of territories in which the company writes. Last but not least, there is the growth in experience of our Special Agents and of the Home Office personnel. In all these, PLM can point to continued growth, year after year, due in large measure to our loyal local agency family. Why not be a member of this successful family yourself.

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Brown, Heidt Named By Hartford Group

Philip S. Brown has been elected vice-president of Hartford Accident. Carl E. Heidt, who has joined the group in the investment department, has been named assistant secretary of Hartford Fire and Hartford Accident.

Mr. Brown, who is also a vice-president and director of Hartford Fire, joined that company in 1920. He was elected assistant secretary in 1935,

secretary in 1941, assistant vice-president in 1950 and vice-president in 1953. He supervises foreign business.

Mr. Heidt has been senior investment analyst in the bond department of Prudential since 1957. Before that he was a physicist with the U.S. government and was chief of the electronics section of the army chemical center in Maryland.

H. Prentice Browning, president of American Fletcher National Bank & Trust, Indianapolis, has been elected a director of Grain Dealers Mutual.

American Appoints Wilson Resident V-P

American has named David H. Wilson resident vice-president at Kansas City to succeed W. J. McCord, who has retired. Mr. Wilson joined the company at Kansas City in 1938. He became agency supervisor at Detroit and later assistant manager at Dallas. In 1954 he was promoted to superintendent in the home office branch operations department, and in 1958 was elected an assistant vice-president.

Hull Syndicate Views Trend To Large Losses

American Hull Insurance Syndicate incurred large claims on 23 major ship casualties during the 1960 fiscal year, Clifford G. Cornwell, chairman, reported at the annual meeting. The syndicate's share of these casualties averaged \$250,000 each, considerably higher than the average on 22 major casualty claims in the 1959 fiscal year.

Two total losses at the beginning of the 1961 fiscal year continued the large claim trend. These were the Sinclair Petrolere and the Pine Ridge. The insured value of the Sinclair Petrolere was in excess of \$8 million, one of the largest total losses in the records of commercial underwriters.

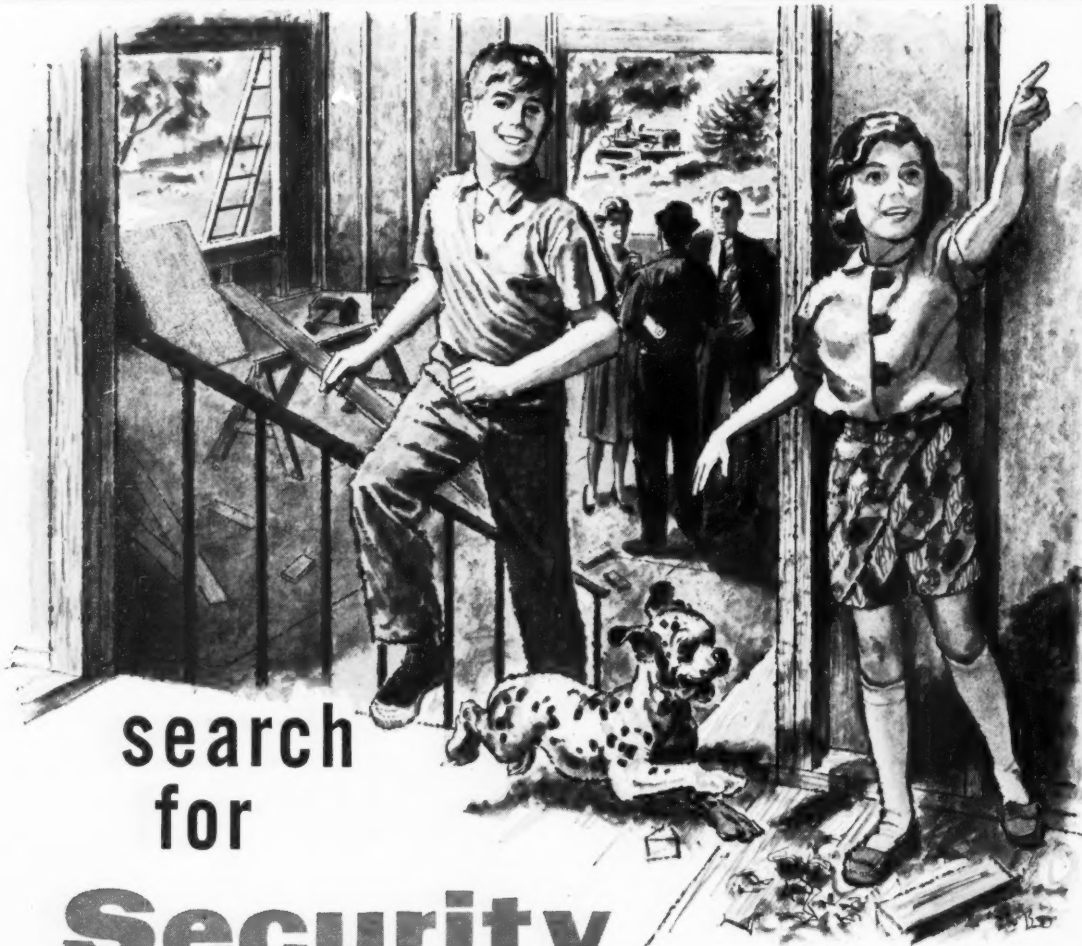
Mr. Cornwell said there is a strong trend towards higher ship values, reflecting current high replacement and repair costs throughout the world. While values on older tonnage are dropping, he said, underwriters are faced with the necessity of insuring large values, not only on newer passenger vessels and super-tankers, but also on bulk carriers and special purpose ships.

This is also true, Mr. Cornwell said, of the 300 odd vessels which are to be constructed under the replacement program by owners having subsidy contracts. These vessels, when completed, will be valued at \$5 or \$6 million each and will replace older ships of much lower insurable values.

WC For N. Y. Employees In Company Sponsored Sports

New Jersey supreme court has ruled that company sponsorship of athletic events brings the participating employees under workmen's compensation.

The court held that Dominick Compitano could collect from Steel & Alloy Tank Co. of Newark. He was injured in an industrial league softball game. Court opinion was divided 5 to 2.



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Scharetz, Cameron, Durand Advanced By Fireman's Fund

Edward O. Scharetz has been appointed assistant vice-president of Fireman's Fund. He continues as assistant to the vice-president in charge of nationwide research, development and sales operations and as manager of the advertising and public relations department in the home office.



E. O. Scharetz

Prior to joining the Fund, Mr. Scharetz was an account executive in the Los Angeles and San Francisco offices of the Campbell-Ewald advertising agency of Detroit and San Francisco representative for MacManus, John & Adams advertising agency, Detroit. He was named manager of the advertising and public relations department of Fireman's Fund in 1948. In 1958 he moved into the marketing operations as assistant to Woodward Melone, vice-president in charge of research, development and sales.

Walter G. Cameron has been advanced from assistant controller to assistant vice-president and assistant controller, and Albert C. Durand becomes assistant secretary.

Mr. Cameron has been with the Fund since 1935. Most of his career with the company has been spent in the home office. From 1942 through 1953 he held assignments of chief accountant and office manager and director of services in the western department at Chicago. Upon his return to San Francisco, he was made assistant controller in charge of systems. He now is in charge of nationwide accounting, statistical and tabulating operations.

Mr. Durand's career with the company began in 1946 in San Francisco. Following assignments as a special agent in California and Oregon, he was returned to the home office in 1958 and assigned to the portfolio reinsurance department. In 1959 he was named assistant manager of that department.

Platt Has Consulting Service

John C. Platt has opened a consulting service for agents, brokers and companies at Kansas City. He will also offer monthly accounting and tax service, and financial appraisal and valuation for the purchase, sale or merger of insurance companies. For many years he was vice-president and controller of Central Surety and most recently he served as treasurer and controller of Holland-America.

Eifert, French & Co. and Crehore & Richardson, New York agencies, have merged. The surviving agency will be Eifert, French & Co.

Continental Casualty Names Charles Adams General Claim Attorney

Continental Casualty has appointed Charles J. Adams general claim attorney. He has been vice-president of National Fire in immediate charge of the loss department.



C. J. Adams

Mr. Adams received his law degree from the University of Omaha. He will be responsible for the selection and appointment of Continental Casualty's legal representation throughout the country and act as liaison between the claim department and other legal sections of the Continental-National group as well as serving as counsel for their claim department.

Could Pay \$100 To Insure \$100, S. C. Assn. Warns

In its publication, Palmetto Insuror, South Carolina Assn. of Insurance Agents recommends that insurers point out to their insured that the buy-back rate on the \$100 wind deductible in beach and seacoast territory is only part of the cost. To insure the first \$100 of loss will cost insured at least \$20 in income tax deductions, plus a few dollars in state tax deductions.

As insured's tax bracket rises, the loss to him is of course higher. Conceivably, he could pay more than \$100 to collect a \$100 loss.



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Ohio Farmers Companies

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Life In Constructive View Of Insurance

Life magazine in its March 31 issue carries an article on the insurance needs of an average family, including property and casualty coverages, life and A&S.

Constructive points made in the article are:

1. The cost of property and casualty coverages is the smallest part of the total cost of security for the average family.

2. The cost of coverage cannot be

blamed on companies, for their profit margins are low and executive salaries are not excessive.

3. The high cost of auto coverage is due to the accident rate and to irresponsible drivers.

4. Increases in casualty rates are due to high jury awards and fraudulent claims.

5. Insurance is highly regulated, and competition forces companies to be efficient.

In addition, the article cites the efforts of insurers to combat fraud, cautions against buying "bargain" insur-

ance, and emphasizes the importance of well-rounded protection.

The staff of Insurance Information Institute worked closely with Life reporters in the preparation of the article and also referred them to member companies of III for information.

New Merit Rate Plan

Mutual Service Casualty is entering the merit rated automobile field with a plan called Mutual Service Fairrate which has been approved in Minnesota and North Dakota and is pending in other states.

Agricultural Names Minsker Secretary

Agricultural has advanced Stanford R. Minsker from superintendent of the multiple line department to secretary. He joined the company in 1956 as superintendent of the inland marine department. He has also had experience in fire underwriting.

Agency Automation On EAC Annual Card

A seminar on automation at the agency level will be the featured workshop session at the annual Eastern Agents Conference April 16-18 at Philadelphia. IBM will conduct the seminar. To permit all delegates to observe the state directors in action, no meetings of the conference have been scheduled Tuesday morning. Insurance Information Institute will sponsor a breakfast that day for state and local association officers.

Commissioner Smith of Pennsylvania will be guest of honor at the banquet Tuesday.

Milwaukee I-Day To Feature Citation To Local Assn. Of Commerce

Featured at Milwaukee I-Day, April 18, Schroeder Hotel, will be the presentation by its sponsors, Milwaukee Assn. of Insurance Agents, of the 1961 distinguished service citation to Milwaukee Assn. of Commerce.

The citation is in recognition of Assn. of Commerce's 41-year record of conducting annual foremen's safety schools (enrolling nearly 10,000 persons each year) and its 37-year record of operating fire prevention and plant protection schools. The 1961 award is the first citation to be presented to an association—previous presentations have been to individuals.

The luncheon session will be addressed by Roy McCormick, associate editor Rough Notes, and the banquet speaker will be Eugene F. Gallagher, secretary-manager Chicago Board of Underwriters.

Production Managers Of Kemper Branches Retitled

Branch production managers of Kemper group have been redesignated sales managers and their departments are now known as sales departments.

The title change was made to emphasize marketing. "While the term production has been synonymous in our industry, it has not meant the same thing to anyone else," according to N. C. Flanagan, president.

Eleven branch offices will be affected by the change in nomenclature.

Defendants Win Again

Cook County Jury Verdict Reporter, the publication that compiles each week summaries and statistics on personal injury jury cases in Chicago, reports that for the week ending March 31 plaintiffs in these cases were awarded a total of \$30,350 in five decisions in their favor, while the juries voted for defendants 17 times. One case was deadlocked.

From Sept. 1 through March 31, there have been 207 decisions in favor of defendants, 167 in favor of plaintiffs, while 23 cases have been deadlocked. Total damages awarded come to \$2,246,569.

Last week the largest verdict was for \$22,500 arising out of an automobile accident.



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Fire Prevention Week Poster Contest Won By Exchange Student

A young German exchange student's painting has won first prize in National Board's contest to select a poster picture for use during this year's fire prevention week.

The poster, by Hans D. Flink of Wiesbaden, will be reproduced 13 mil-



Hans D. Flink, left, has good reason to smile: His poster won National Board's poster contest for fire prevention week. Getting set to hand over first prize money is L. W. Niggeman, executive vice-president Fireman's Fund and National Board executive committee member.

lion times for display in all parts of the nation. Mr. Flink won a cash award of \$350 for his efforts.

Award ceremonies were held at California College of Arts & Crafts with presentations being made by L. W. Niggeman, executive vice-president Fireman's Fund and executive committee member National Board.

S. F. A&H Managers Elect Nietschmann Head

W. J. Nietschmann, Continental Casualty, has been elected president of San Francisco A&H Insurance Managers Assn.

S. R. Farley, of Rathbone, King & Seeley, was named vice-president and Clark Lyle, Hartford Fire, secretary.

Tornado Costs \$40,000

The insurance loss caused by a tornado in Warren County, Tenn., has

been estimated by adjusters at \$40,000. The relatively low cost is said to result from the tornado's having hit only a rural area of the county.

The largest loss is on one farm property. It includes dwelling, barn and contents and is valued at approximately \$12,000. The next largest is set at \$2,500. There are about six losses calculated to run from \$300 to \$500, and the remaining 20 to 30 losses are not expected to average more than \$100.

Aetna Casualty Has New 1961 Ad Series

A new advertising campaign based on the theme, "Protection Is a Job for Professionals," will be introduced in 1961 by Aetna Casualty.

The ads, to appear this spring and summer in Life, Saturday Evening Post, Sunset, Newsweek and U.S. News & World Report, will feature pictures by nationally-known photographers, showing men who are obviously professionals doing their jobs under dramatic, human-interest circumstances.

A second campaign for special risks will feature cartoons by Virgil Partch. The cartoons, emphasizing that insurance should be considered as a working business asset, not just as an expense, will appear in Fortune and the National Insurance Buyer.

Aetna Casualty's long-standing "P.S."—personal service theme—also will be carried throughout both ad series and in newspaper, radio, television, direct mail and display material which the company's agents may use to tie in with the campaigns.

Stochholm To American

Eric H. Stochholm has joined American as assistant general counsel. He was formerly corporate secretary of American Surety and before that was with a Newark law firm.

SEUA Raises Kelley

Southeastern Underwriters Assn. has appointed Tillman F. Kelley treasurer. He has had charge of the association's accounting department since 1954 and was with the national accounting firm of Haskins & Sells for four years before joining the association.

Boyles Joins Toensmeier

Mark O. Boyles has joined Toensmeier Adjustment Service at Philadelphia in a supervisory capacity. He was formerly with Boston as district claim and loss manager, supervising Philadelphia, Pittsburgh and Baltimore.

Allied Compensation To Go Multiple Line

Allied Compensation is being integrated into the home and branch office system of Pacific Employers. The name of Allied Compensation has been changed to Allied Ins. so that the company will not be exclusively identified with workmen's compensation.

Plans are under way to extend operations of Allied into all other casualty lines and into states other than California.

Allied was organized in 1946. Net

Smith To Royal-Globe Eastern Department

Royal-Globe has appointed Thomas C. Smith Jr. assistant agency secretary in the eastern department. He joined Royal-Globe in 1950, and was later assigned to the Pacific Coast department where he was special agent in several fields. For the past two years he has been in the administrative training program at New York.

premiums written last year amounted to \$2,627,862.



Paris street scene

Here's How to Get Profitable Foreign Travel Insurance Business

1,700,000 Americans will travel overseas this year. 250,000 of them will drive an owned or hired car while abroad. Many of these travelers will be your clients or prospects but, in most cases, *their domestic insurance will not properly protect them.*

Now, you can move into this profitable, growing market with AFIA's new specially designed Foreign Travel Policy. In a single package it includes Automobile, Personal Liability, Accidents, Personal Effects and other important coverages. With ease and confidence you can provide your clients with this protection wherever they may travel in the free world.

And should trouble strike, AFIA's world-wide organization of trained experts will be nearby, ready to extend friendly, prompt help to your clients where the loss occurs.

AFIA's nearest office will be glad to help you get your share of this important market.



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Charleston Montreal Toronto Vancouver Calgary Havana Caracas London

Brown & Sons Has Plan To Cover Exhibitors If Trade Show Is Cancelled

Trade show sponsors who stand to lose money if a show is cancelled because of damage to exhibit hall can recover the trade association's expenses in preparing for the show, including registration expenses, advertising, promotion and other before-show costs, under coverage offered by George F. Brown & Sons of Chicago. Outside firms that arrange exhibitions for in-

dustries or trade associations may also be insured. Professional trade association management organizations will be able to recover pre-show expenses as well as profits that could be reasonably expected had the show not been cancelled.

Cost of the insurance will vary according to fire ratings of the exhibit hall. It is estimated \$150 would be an average premium providing sponsors with up to \$100,000 insurance against loss of expenses resulting from cancellation.

George F. Brown & Sons is a pioneer

in offering coverage of this type, and it is studying plans to protect sponsors from losses incurred because of strikes, transportation tie-ups and other factors that could cause a trade show to be called off.

Royal-Globe Names Neiding

Royal-Globe has named Richard P. Neiding special agent at Detroit. He will assist Henry Jackson, state agent, in the supervision of Wayne County. Mr. Neiding joined the group in 1916 as special agent trainee in Cleveland.

Managing GAs Assn. Slates Annual; Ellis, Throgmorton To Speak

"Pattern for Progress—The Better Way," is the theme of American Assn. of Managing General Agents' annual convention April 23-26 in Phoenix at the Camelback Inn.

Top speakers and a number of workshops have been lined up for the three-day meeting which more 200 general agents, associates and wives are expected to attend.

Among the speakers are Arizona Gov. Paul Fannin; Porter Ellis, president National Assn. of Insurance Agents; Louie E. Throgmorton, vice-president Republic National Life, "Don't Suspect But Respect Your Insurance Man"; Thomas Roth, Professional Accounting Group, Denver; Herbert H. Kirschner, president Kirschner & Co., San Francisco, "The Missing Link—Found!" Millard Bennet, associate of Dr. Norman Vincent Peale, "How To Get Others To Think and Act Favorably With You"; and Art Briese, humorist.

Workshop topics include office procedure, general accounting, machine operations, field development, and increasing agency connections.

Horan Is Promoted By Appleton & Cox

Appleton & Cox has appointed Thomas Horan assistant secretary. Mr. Horan, who manages nationwide commercial inland marine claims for the company, joined Appleton & Cox in 1937. He is a past official of Inland Marine Claims Assn.

GAB Managerial Changes

Fenton G. Foster has been appointed manager of General Adjustment Bureau at Presque Isle, Me., to succeed Irving R. Gray, who has been transferred to Hartford. Mr. Gray succeeds Lawrence W. Wason, who has been appointed general adjuster with offices in Hartford.



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Mackay Is Elevated By Aetna Casualty

Aetna Casualty has appointed Robertson Mackay assistant secretary in the underwriting department. He joined the company in 1950 and was subsequently fire special agent at Newark and Asbury Park, N.J., and head of fire operations at Syracuse.

Mr. Mackay was transferred to the home office in 1959 as superintendent of underwriting in the multiple line division.

Olympic-Marathon Promote Bachemin To Home Office

Herbert W. Bachemin, service office manager for Olympic and Marathon in Dallas since 1956, has been promoted to manager, agency department, at the home office. B. W. Blackburn, who has been special agent in Dallas, has been named manager of the Dallas service office.

Mr. Bachemin has been with Olympic-Marathon since 1950, when he became an adjuster in Houston. He later was supervising adjuster in Houston for two years and was then transferred to Dallas where he was a special agent and state agent before becoming service office manager.

Jordan In Interim Fire Post With Mass. Bonding

Daniel W. Jordan, assistant secretary of Hanover, has been placed in charge of the home office fire division of Massachusetts Bonding.

Mr. Jordan is taking this post on a temporary basis during the pending merger negotiations between the two companies. He is taking over the duties relinquished by Donald B. Sands, who resigned because of ill health.

Fund Transfers Schindler To S. F. As Personnel Head

George Schindler, personnel director at Chicago for Fireman's Fund, will be transferred May 1 to San Francisco, where he will become personnel director for the Pacific departments. He succeeds Stuart Steinhauer.

Mr. Schindler joined the Fund in 1951 as assistant personnel director in San Francisco, transferring to Chicago last year.

J. E. Faust Retires

J. E. Faust, vice-president and director of planning for State Auto of Indianapolis, has retired after more than 31 years of service. He became vice-president in 1952 and was named director of planning in 1955.

Boston Group Wins Award

Boston Group won the 1961 merit award given by Advertising Club of Springfield, Mass., for excellence in advertising in the business publication category. W. Richard Webster, secretary of the group, and Jules Klein of the Klein advertising agency, accepted awards at a presentation and dinner at the Sheraton-Kimball in Boston.

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Matthew To Preferred As Special Risk V-P

Lawrence E. Matthew has joined Preferred of Grand Rapids as manager of the special risk department. He has been assistant vice-president of Lukis, Steward, Price, Forbes of Montreal in charge of the special risk department. From 1942 to 1950 he was a director of Kenneth B. S. Robertson, Lloyd's brokers of Montreal.

Mr. Matthew began his insurance career in London in 1917 where he received his basic training in both marine and non-marine coverage as an assistant in a Lloyd's brokers office. In 1926 he immigrated to Canada.

Consolidated Mutual Names Public Relations Manager

Patricia A. Vamos has been appointed director of public relations and sales promotion for Consolidated Mutual. She was formerly assistant editor of Life Office Management Assn. Before that, she was editor and research assistant for Ebasco Services. She has also been an associate editor for National Bureau of Casualty Underwriters.

Ohio Farmers Names Yoakam To Bond Post

Ohio Farmers has appointed Roderick L. Yoakam manager of the Pacific Coast bond department. He will have headquarters in Los Angeles.

Nevins In N.J. Bond Field

Royal-Globe has named James J. Nevins bonding special representative at Washington, D. C. He was formerly a bonding underwriter at the New Jersey regional office at East Orange.

Fund Names Hansford

Fireman's Fund has appointed Maurice E. Hansford special agent at the newly opened service office in Jacksonville, Fla.

J. G. Gaffigan has opened his own insurance investigation and adjustment service at 524½ East Capitol Avenue, Springfield, Ill., for claim and loss handling in all lines within a radius of 50 miles.

Highlights

from our 59th Annual Report to Policyholders

Assets	\$31,658,050
Liabilities	18,279,152
Surplus to Policyholders	13,378,898

Above totals from Financial Statement, as of December 31, 1960, as reported to the Indiana Insurance Department.

ASSETS increased by \$900,092 or 2.9% over 1959.

SURPLUS TO POLICYHOLDERS increased by \$493,667 or 3.8% over 1959.

NET PREMIUMS WRITTEN totaled \$19,206,505 for the year, an increase of \$839,680 or 4.6% over 1959.

LOSSES INCURRED (including Loss Expenses) during 1960 were \$9,928,759. Ratio of incurred losses to earned premiums was 52.1%, as against 47.8% for 1959.

SAVINGS of \$3,045,572 were returned to our policyholders as dividends during 1960. This total compared with dividend savings of \$2,868,633 returned during 1959.

Business since organization in 1902: Net premiums written, \$253,647,000; net losses paid, \$95,281,100; savings returned to policyholders as dividends, \$39,854,200.

Grain Dealers Mutual

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Tells How To Control Medical Care Costs

(CONTINUED FROM PAGE 7)

circumstances or very prolonged and complicated illnesses should never exceed one month's take-home pay of the family."

Some doctors may regard this as infringement on their professional freedom, he said, "however, the alternative is government-controlled medicine and time is short."

He noted that the house of delegates of American Medical Assn. has recommended that people over 65 be charged

lower fees, and he wondered if any other profession or trade were willing to give oldsters a similar break.

Would Save Hospital Beds

Spelling out contributions that prepayment plans could make toward diminishing the costs, Dr. Reeder emphasized the need for policies providing out-patient diagnostic service. This would save hospital beds for persons who really need them.

A problem plaguing prepayment

plans is that of multiple coverages. Multiplicity and duplicity make it possible for a claimant to profit from illness if he has enough coverage, and at any rate, is responsible for a higher incidence of hospitalization.

The time has come, he said, for the health insurance industry to use pro rata clauses so that claimants could not collect more than 75-90% of total costs. Coinsurance, requiring patients to pay part of the bill, should be adopted. The coinsurance on below-average earners need not be more than 10% and should be graduated up

to 25-35%, the latter for those earning over \$15,000.

Some doctors, he observed, charge for completing a form. "Why a doctor wants to charge for completing a form which helps him to receive his fee is beyond comprehension. But in this field there are some cute claimants. Some file claims, collect from the insurers and then refuse to pay the doctor. This is not cricket either. Here a better system of assigning scheduled benefits to the doctors will have to be devised. This is being worked on now," he said.

Rough Notes Co. Revises Insurance Words Book

A revised edition of Insurance Words and Their Meanings has been published by Rough Notes Co.

The 111-page book is written by Vincent L. Gallagher and Gerald R. Heath, former U. S. manager and assistant U. S. manager, respectively, of Pearl. It defines words, alphabetically listed, which are peculiar to insurance, and among the many new terms included in this fifth edition are special automobile policy, safe driver plan, outboard motor boat and outboard motor boat policy, office contents special form, libel insurance, and estoppel.

Insurance Words and Their Meanings may be purchased for \$1.50 per copy, less in quantity, from Rough Notes Co., 1142 North Meridian Street, Indianapolis 6, Ind.

Iowa Legislation

In the Iowa legislature there is a bill to restrict the dispensing of insurance by vending machines to terminals of common carriers, the idea being to keep them off the premises of restaurants, filling stations, department stores, beauty parlors, etc. The measure is in the house insurance committee.

Another bill would increase to \$150 the amount involved in a BI or PDL accident before it would have to be reported to the state motor vehicle department. The present amount is \$50.

There is a bill to qualify and license adjusters, except that an agent who adjusts losses would not have to qualify or be licensed.

There is a bill, not considered to have enough support to pass, that would allow a life company to write any line of insurance, either through separate departments of the parent company, or through subsidiaries.

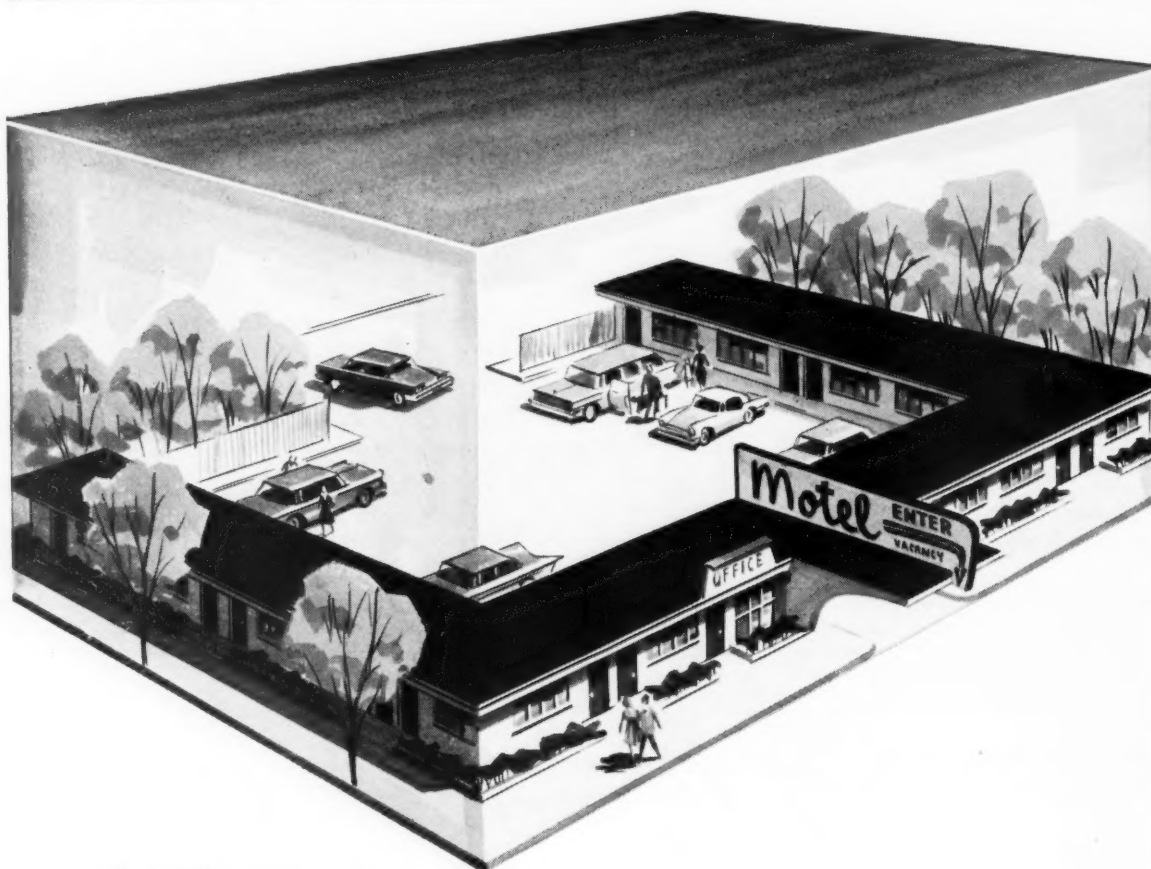
Bruce Mueller Is Promoted

Bruce C. Mueller has been promoted by National Union from claims manager at Indianapolis to assistant regional claims manager in the western department at Chicago. Before joining National Union, Mr. Mueller was a claims attorney with Hartford Accident and American, in both Chicago and Milwaukee.

Service Guide

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The Employers' Life Insurance Company of America



Consolidated Mutual Has Profitable Year

Consolidated Mutual and its affiliate, Long Island Ins., had an underwriting profit of \$528,127 in 1960. Written premiums totaled \$24,716,338, up 24% from 1959. The unearned premium reserve increased by \$1,720,679. Policyholders surplus of Consolidated Mutual rose 18% to \$7,532,699, while that of Long Island increased to \$1,890,000 in 1960 from \$1,593,563 in 1959.

Investment income for both companies, excluding capital gains, was up 19% to \$975,835. Operating profit for the year after policyholders dividends was \$1,268,492, compared with \$1,115,082 in 1959.

Assets of Consolidated Mutual at the end of 1960 were \$41,079,855, against \$33,741,848 at the end of 1959, while those of Long Island were \$6,996,263 against \$1,766,196.

American F.&C. Shows Underwriting Profit

American Fire & Casualty had an underwriting profit of \$34,927 in 1960. Written premiums totaled \$14,354,789, up from \$13,692,912 in 1959. Policyholders surplus rose from \$2,077,235 in 1959 to \$2,124,556 in 1960.

Investment income in 1960 amounted to \$377,431. Operating profit for the year after taxes was \$268,954, compared with \$247,189 in 1959. Assets at the end of 1960 were \$12,964,435.

Midyear Card Set For New Hampshire Assn.

The midyear meeting of New Hampshire Assn. of Insurance Agents will be held April 27 at Manchester. George M. Williamson, retired manager of the New England division of Merchants Mutual of Buffalo, will describe the automobile insurance situation. Commissioner Knowlton and Deputy Commissioner Sheldon will discuss departmental matters of current interest to agents.

William A. Pollard, sales development manager, Reliance, will analyze company-agent problems.

Texas Employers Reports

Texas Employers had workmen's compensation premium income of \$26,970,545 last year, a decline of 6.9% from 1959. Underwriting and investment gains increased from \$5,509,195 to \$5,925,737.

The number of accidents reported in 1960 was down 10.2%, and losses decreased \$1,928,383 from the prior year. Dividends and guaranteed discounts returned to policyholders during the year amounted to \$5,354,871. At the close of 1960 policyholder surplus amounted to \$9,975,438.

Uniform AR Rates In Me.

Gov. Reed of Maine has signed a bill providing for the use of uniform rates for auto assigned risks by all companies writing auto liability in the state. The law becomes effective 90 days after adjournment of the legislature. It gives companies an extension until Jan. 1, 1962, to file with the commissioner a plan meeting the requirements of the law, the provisions of which are similar to those of laws in Wisconsin and Maryland.

AFIA Elects Mead Trustee

American Foreign Insurance Assn. has elected George D. Mead, chairman Glens Falls, a trustee to succeed Henry W. Cowles, who has retired as vice-president of Glens Falls.

Royal-Globe Appoints Brumbaugh Resident V-P

Royal-Globe has appointed R. D. Brumbaugh to the newly created post of resident vice-president of the Pacific department. He will assist J. C. Qualmann, vice-president, in the operation of that department.



R. D. Brumbaugh

F.&D. Raises Groomes In Pa., Cator Retires

Fidelity & Deposit has promoted Veryl V. Groomes from special agent to assistant manager at Pittsburgh. He has been with the company since 1945.

Horace T. Cator, associate manager at Pittsburgh, has retired. He has been with the company for 32 years. He was a president of Pittsburgh Surety Assn. and Insurance Club of Pittsburgh, and a director of Insurance Federation of Pennsylvania.

McLaughlin Officer Of American Surety

James A. McLaughlin has joined American Surety and Pacific National Fire at the home office as an assistant secretary. His duties will include cost control and underwriting analysis.

He was previously with U.S.F.&G. as superintendent of casualty for more than 20 years.

Aetna Casualty Names Manager Of New Office

Aetna Casualty has named Russell M. Caughron manager of its new office at San Antonio. The office will be headquarters for the company's business in 55 counties of south Texas.

Mr. Caughron had been in charge of the underwriting department at Louisville, where he joined the company in 1946. He is a past president of Kentucky chapter of CPCU.

VIRGINIA SURETY COMPANY, Incorporated

228 SUPERIOR ST.

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FINANCIAL STATEMENT DECEMBER 31, 1960

ASSETS	
Cash in Banks and on Hand	\$1,429,803.03
Bonds at Amortized Value	
U. S. Government	\$1,613,761.84
State	103,872.00
Political Subdivisions of States	459,780.81
Special Revenue & Assessment	524,442.02
	2,701,856.67
Common Stocks	
Public Utility	\$79,380.00
Banks & Trust Companies	29,700.00
Industrial & Miscellaneous	85,290.00
	194,370.00
Agents' Balances (not over 90 days)	313,564.16
Reinsurance due and in transit on paid losses	43,207.93
Interest Accrued and Other Admitted Assets	34,007.06
TOTAL ADMITTED ASSETS	\$4,716,808.85
LIABILITIES, CAPITAL AND SURPLUS	
Reserve for claims and Claim Expense	\$1,703,975.37
Reserve for unearned premiums	623,472.21
Reserve for taxes and other liabilities	132,136.12
Funds held by company under Reinsurance treaties	833,577.09
TOTAL LIABILITIES	\$3,293,160.79
Capital	\$600,000.00
Surplus	823,648.06
Surplus to policyholders	1,423,648.06
TOTAL	\$4,716,808.85

Bonds carried at \$562,159.37 in the above statement are deposited with various states as required by law.

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WM. I. DILLON
Exec. Vice-President
L. G. HANKISON
Vice-President
R. H. SANDROCK
Vice-President
GEO. J. LOVE
Sec'y-Treasurer

M. J. ANDREWS
Asst. Sec'y and Asst. Treas.
WM. M. BROWN
Asst. Sec'y and Asst. Treas.

D. L. MAHER
Special Representative and
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H. J. PETTINGILL
Manager, Underwriting Dept.
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Executive Offices—St. Louis 22, Missouri

Employers Liability Sets Up Research Unit With Barber In Charge

Employers Liability group has established a research and development division under the supervision of Hans W. Barber. The new division will have responsibility for the development of new coverages, package policies and merchandising aids.

Mr. Barber assumes his new responsibilities after several years as fire special agent, superintendent of the

education department and most recently, territorial supervisor in the home office agency department.

ICEDS To Meet May 16

Insurance Company Education Directors Society will hold its 1961 meeting May 16-19 at Wagon Wheel Lodge, Rockton, Ill. Campus-company relationships will be featured in lectures and discussions. Inquiries about registration should be directed to Frank Horner, 3099 South Washington Avenue, Madison 1, Wis.

Hartford Fire Advances Dressel To Home Office

Hartford Fire has promoted Robert W. Dressel, agency superintendent at the southwestern department in Dallas, to general administrative assignments at the home office.

Mr. Dressel joined the company in 1950 at the western department. He was named special agent at Peoria in 1953, and appointed a special representative at Chicago in 1957. He was advanced to his most recent position at Dallas in 1959.

Glens Falls Makes Executive Changes

George D. Mead, whose election to chairman and chief executive officer of Glens Falls was reported last week, has been president since 1949. He joined the group as an underwriter when Glens Falls Indemnity was organized in 1927. In 1928 he was made superintendent of agents and in 1929 was appointed a vice-president of Commerce Casualty. When Glens Falls Indemnity and Commerce Casualty were merged, he became vice-president and in 1943 president.

Robert P. Crawford, the new president of Glens Falls, joined the company in 1937. He was special agent in the central New York and Newark territories until 1946, when he went to the home office as manager of the inland marine and automobile departments. He was appointed assistant secretary in 1949, secretary in 1951, and vice-president in 1955. In 1957 he became assistant to Mr. Mead.

William T. Clark, promoted to financial vice-president and secretary, became a member of the investment department in 1952 and was elected a secretary in 1955.

Stephen T. Birdsall, promoted from assistant secretary to secretary of the company, joined the organization in 1931.

Richard C. VanDusen, Edwin F. Knoblock, and Alan H. Cantrell have been named secretaries.

Mr. VanDusen started in 1925 in the fire underwriting department. In 1947 he was transferred to the advertising department and in 1952 became personnel director.

Mr. Knoblock, joined Glens Falls in 1949, served as an underwriter and special agent, and in 1955 was made assistant supervisor of methods and forms. In 1959 he was appointed manager of the new research and development department.

Mr. Cantrell is a former assistant secretary of Eastern Underwriters Assn. He joined Glens Falls in 1959 as administrative assistant in the fire underwriting department. Last Jan. 4 he was appointed manager of the multi-peril division.

Elect Pro Tem Officers

Walter E. Steward, Missouri Inspection Bureau, was elected president pro tem of St. Louis Fire Protection Engineers chapter at the March meeting. Other pro tem officers elected were George H. Cramer, 1st vice-president; Herbert Muller, 2nd vice-president, and Jack S. Castiglia, secretary-treasurer.

THE CONSOLIDATED COMPANIES

FINANCIAL STATEMENTS AS OF DECEMBER 31, 1960

CONSOLIDATED MUTUAL INSURANCE COMPANY

	1960	1959
assets		
Cash in Banks and Office	\$ 2,356,898	\$ 1,043,618
Bonds	25,859,651	23,265,506
U. S. Government, States, Municipals, other governments, and corporates (valuation on N. Y. Insurance Dept. basis)		
Preferred Stocks	396,760	357,005
Common Stocks	3,507,809	3,112,674
Stock—Affiliate Long Island Insurance Company	1,890,900	1,593,563
Real Estate (Home Office Buildings)	2,544,724	406,750
Premium Balances	3,696,036	3,302,591
Accrued Interest and Other Assets	827,077	660,141
Total Assets	\$41,079,855	\$33,741,848
liabilities		
Reserve for Losses and Loss Expense	\$18,269,893	\$16,781,995
Reserve for Unearned Premiums	9,677,622	9,622,878
Funds of Long Island Insurance Company held under Reinsurance Treaty	4,576,513	—
Reserve for Taxes, Expenses, Investments and Miscellaneous Liabilities	1,023,128	958,827
Total Liabilities	\$33,547,156	\$27,363,700
Surplus to Policyholders	7,532,699	6,378,148
Total Liabilities and Surplus	\$41,079,855	\$33,741,848

LONG ISLAND INSURANCE COMPANY

	1960	1959
assets		
Cash in Banks and Office	\$ 106,399	\$ 925,452
Bonds	1,590,372	679,290
U. S. Government, States, Municipals, and corporates (valuation on N. Y. Insurance Dept. basis)		
Funds held by Consolidated Mutual Insurance Company under Reinsurance Treaty	4,576,513	—
Premium Balances	652,236	154,722
Accrued Interest and Other Assets	70,743	6,782
Total Assets	\$ 6,996,263	\$ 1,766,196
liabilities		
Reserve for Losses and Loss Expense	\$ 3,224,098	\$ 130,196
Reserve for Unearned Premiums	1,707,816	41,881
Reserve for Taxes, Expenses, Investments and Miscellaneous Liabilities	173,449	556
Total Liabilities	\$ 5,105,363	\$ 172,633
Surplus to Policyholders	1,890,900	1,593,563
Total Liabilities and Surplus	\$ 6,996,263	\$ 1,766,196

THE CONSOLIDATED COMPANIES

HARRY STRONGIN, President

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Lawrence Thompson, manager of the Long Island service office, accepts North America's Die-mand trophy from **Herbert P. Stellingen** (left), executive vice-president. At right is **William P. Arnold**, secretary. The trophy is awarded annually to the group's casualty service office achieving the best all-around excellence of operations, especially in the servicing of agents and brokers.



Preferred Registers Gains In 1960 Report

A substantial increase in net income for 1960, including profits from underwriting operations, was reported by Preferred of Grand Rapids and its operating subsidiary, Southwestern Indemnity. Consolidated net income for 1960 amounted to \$293,343, compared with \$105,854 for Preferred in 1959. This reflected a \$102,743 improvement in underwriting margins.

On a per share basis, earnings were 52 cents in 1959 and \$1.42 in 1960 including 43 cents from real estate gains.

Wendell Berman, chairman, said in his letter to stockholders that 1960, the first full year under the new management, was the best for Preferred since 1955. Premium income for 1960 was up 30% to \$7,100,258 and for the first quarter of 1961 continues in an up-trend above the same period a year ago.

Aetna Fire Raises Perrica

Aetna Fire group has promoted **George M. Perrica** from claim adjuster to supervisor at the Hartford office. Before joining the group in 1960 he had company and independent adjusting experience. More recently he worked for a utility company.

Officers Of Marks Agency

Marks Agency of New Orleans has elected **Leonard M. Wise** president, **Herman Katten**, **Richard M. Wise** and **Richard J. Thibodeaux**, vice-presidents, and **Robert W. Breeden Jr.**, secretary-treasurer. **Henry Frenkle** and **Lloyd B. Oriol** have been appointed managers of the life and casualty departments, respectively.

American States Names Fowler Research Head

American States group has inaugurated a full-time research program and named **William T. Fowler Jr.**, presently American Economy manager, as research manager for all three companies.

In other promotions, **P. A. Hohmann**, Marion County (Ind.) underwriting manager, is advanced to underwriting and operations manager to succeed **Mr. Fowler**; **Richard J. Raymont** assumes managership of the entire Ohio underwriting operation, and Pennsylvania Underwriting Manager **James M. Bertsch** becomes underwriting manager of the metropolitan Indianapolis branch.

Mr. Fowler joined American States in 1946; **Mr. Hohmann** in 1947; **Mr. Raymont** in 1953, and **Mr. Bertsch** in 1959.

Frison Elected President Of St. Paul A&S Group

Frank Frison, California Life, has been elected president of St. Paul Health Underwriters Assn., succeeding **Earl Cook**, Wisconsin National Life, who becomes chairman.

Lloyd A. Dosh, Washington National, is the new vice-president and **Robert A. Peterson**, Guarantee Mutual, was reelected secretary-treasurer.

Continental Cas. Names Calhoun

Continental Casualty has named **Ellsworth L. Calhoun** excess and surplus lines manager at Cleveland. With the company since 1956, he went into the excess and surplus lines division last September, after having been assistant superintendent of credit insurance.

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E. E. Sawyer Named General Counsel Of Sayre & Toso

E. E. Sawyer, Los Angeles insurance attorney, has been appointed general counsel for Sayre & Toso. He will direct the claims policies and claims handling nationwide.

Mr. Sawyer started his career as a trial lawyer for Associated Indemnity and later for many years served as its vice-president and general counsel in San Francisco. In 1952 he moved to

Los Angeles as vice-president and general counsel of Founders. He was elected president of that company in 1956 and held the post until Founders was sold to Security of New Haven in 1959.

Mr. Sawyer became associated with Sayre & Toso in 1960 on a counseling basis.

Great American Appoints

Ralph R. Gamble has joined Great American as field supervisor of the north coast area—Sonoma County, Cal., to Oregon.

Farmers Mutual Auto May Try Merit Rating, Standard Rate Insurer

Farmers Mutual Automobile of Madison in 1960 had earned premiums of \$28,045,315, an increase of more than \$2 million over 1959. Claims and claims expenses totaled \$20,711,033, while other expenses amounted to \$7,603,664. Investment operations produced \$1,067,487 of income, and the net income for 1960 was \$476,000, which compares with a loss the year before of \$16,000.

President Irving J. Maurer, in his usual candid message to policyholders, observed that the \$29 million of written premiums in 1960, while 10% better than 1959, was \$600,000 short of expectation. "As a result, fixed office and employe costs were not fully utilized and \$100,000 of potential underwriting gain was not realized."

Revising Family Auto

Mr. Maurer said the company is revising its family auto policy and will begin using a revised coverage about the middle of the year. Consideration also is being given to adopting a modern merit-demerit rating plan for auto. The company had a selective merit rating classification system in 1956 and 1957, during which time the average premium per policy dropped about 10% when the company gave more than \$2.2 million in merit rate deductions while collecting only \$200,000 in demerit rate increases. It took several years to correct this unbalanced situation through rate adjustments and classification changes, Mr. Maurer said. In the last 18 months, when other companies came out with modern merit-demerit systems, Farmers Mutual Auto took a negative viewpoint because of its own experience, but merit rating has now developed a market which cannot be ignored. The demand for this type of system is causing a competitive difficulty. The new plans apparently have a sounder actuarial basis, Mr. Maurer observed because when they were introduced the basic rate level was raised about 10%, allowing for individual merit rate reductions without lowering the previous over-all premium income, and the demerit rate increases have been realistically increased to bring in nearly enough surcharge money to offset the credits.

Additionally, the company is giving attention to the formation of a "standard rate" stock subsidiary to take risks not in the selective categories. Mr. Maurer points out that large producing agents with \$100,000 in premiums tend to be overly selective for fear of jeopardizing an underwriting

bonus by taking on less desirable business. The smaller agent, on the other hand, might feel obliged to take a chance with these risks. Both these situations could be alleviated with a standard risk company that would take business that falls on the borderline.

The life subsidiary, American Family Life, in its third year of business has \$57,717,034 in force on 13,178 policies.

Mich. Bill Would Restrict State's Immunity, Allow Insurance For BI And PDL

LANSING—Governmental immunity of the state for bodily injury or property damage "arising out of the operation of a proprietary function" would be specifically abolished under terms of a bill in the Michigan legislature. The measure defines "proprietary function" as "any activity conducted primarily for the purpose of producing a pecuniary profit for the state. . . . excluding, however, any activities normally supported by taxes, tolls or special assessments."

Liability would be limited to 20/40 BI with 10/25 PDL. The state would be empowered to buy general liability coverage for itself and its officials and employees.

Program Printed For IASA Meeting In May

Members of Insurance Accounting & Statistical Assn. have received copies of the advance program for the annual meeting May 14-17 at Los Angeles. This is probably the most elaborate of all insurance programs, consisting of 13 printed pages of events in three days of business sessions, divided into life, fraternal, group, A&S, debit, fire-casualty and electronics.

Those attending the convention must make a number of choices in advance as to what sessions they will attend. Exclusive of the electronics sessions, there are 67 meetings which will be conducted by 185 IASA members.

IASA will be holding its 39th meeting in May. The organization has developed into one of the significant insurance associations with a large membership and a large attendance at its meetings.

Good Year For Traders & General

Premium writings of Traders & General in 1960 totaled \$8,628,000, principally automobile, on which a gain of 12% was recorded. The company ended the year with assets of \$8,296,329 and a surplus to policyholders of \$2,220,615.

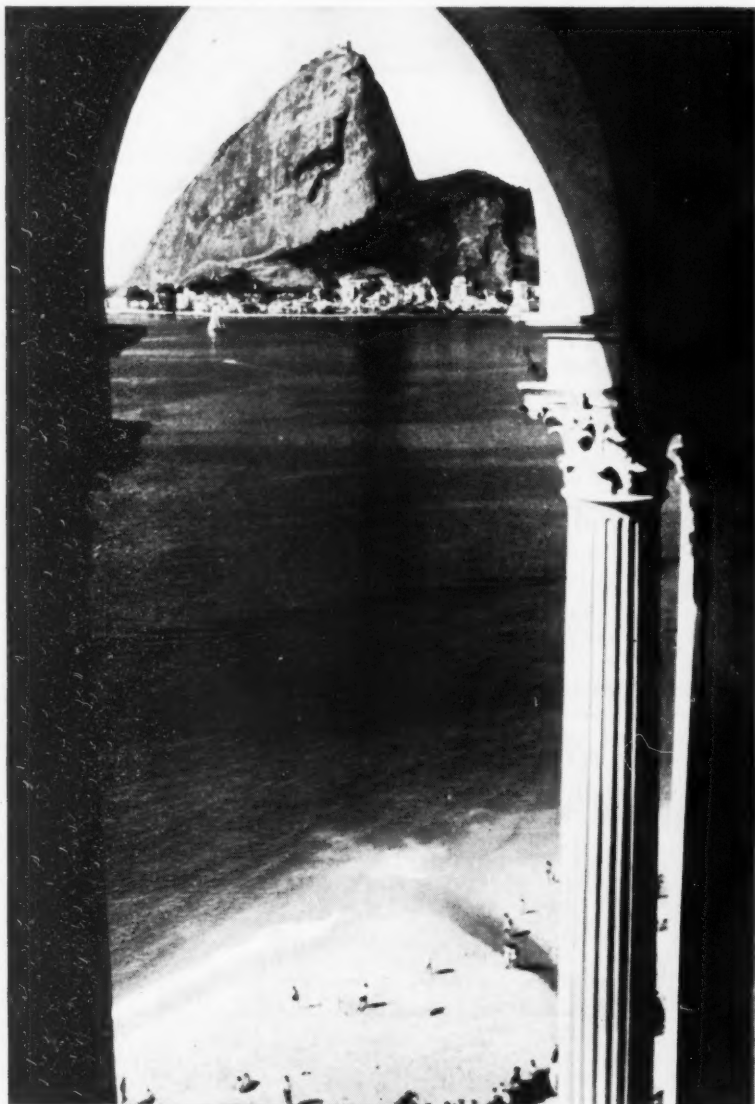


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Barker Urges World Marine Competition

Owen E. Barker, Appleton & Cox, declared that freedom of marine insurance must be injected into economic aid programs if they are not to block international trade and hinder free and maximum competition. Mr. Barker, retiring president of Assn. of Marine Underwriters of the U. S., spoke at the organization's annual meeting in New York where George Inselman, Marine Office of America, was named to succeed him. Other officers were re-elected.



George Inselman

Mr. Barker said marine underwriters wish to maintain the right of exporters and importers to negotiate freely as to who will buy marine insurance coverage and from which company and country.

Some encouraging progress has been made, he pointed out, citing a resolution adopted by the U.N. general assembly which said: "When aid involves the supply of goods or services, they should be made available at competitive world prices." He also noted that a non-discrimination insurance clause was incorporated in a treaty with Belgium, signed last month and negotiated by the State Department. The provision now exists in eight commercial treaties.

Mr. Barker told the association that, despite some progress, buyers and sellers of goods are encountering restrictions on their freedom to buy insurance. Last month, Venezuela placed restrictions on economic development goods by forcing them to be insured



Attending Royal-Globe's countrywide claims meeting in Atlantic City, from left, H. Clay Johnson, executive vice-president, J. P. McCormick, vice-president and claims executive, M. E. Bobick, secretary, and B. J. Lannan and J. R. Nicholas, assistant secretaries. More than 100 claims managers attended.

Fire Chiefs On Air

International Assn. of Fire Chiefs has released a series of radio programs called "Ira Marion, Your Fire Reporter." Designed for local radio stations,

in local currency.

He called for continued efforts to have these trade barriers removed and noted that the insurance business is planning to cooperate with the national administration to advance freedom of insurance.

Named to the association's executive committee are Mr. Barker; Archie M. Stevenson, Chubb & Son; John T. Byrne, Talbot, Bird & Co.; Harold Jackson, Wm. H. McGee & Co.; Gilbert B. Oxford, Boston; Raymond G. Shepard, Reliance, and Miles F. York, Atlantic Mutual.

the taped series consists of five five-minute presentations a week over a 13-week period concerning incidents in the history of the nation's fire service.

Mr. Marion, special correspondent for the American Broadcasting Co., is a fire expert. The tapes are available for insurance company sponsorship at a nominal cost. They may be obtained from the association's broadcast bureau at 232 Madison Avenue, New York.

Donohue Names Kreyl V-P

Donohue & Co., New York brokers, has appointed Henry S. Kreyl Jr. vice-president in charge of special risks, composite rating and foreign placements. He started as supervising underwriter in the special risk department of Travelers and later was with Lloyd's, both in London and the U. S.

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All lines of coverages—written in 20 year old company.

* Primary coverages in Pennsylvania

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Excess Limits



Owners, Landlords, and Tenants Liability

Manufacturers and Contractors

Garage Liability

Liquor Liability

Retrospective Contracts

(a) Physical Damage

(b) Auto Liability

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REINSURANCE

Mass. Brokers Assn. Slates Work Meeting

Insurance Brokers Assn. of Massachusetts will hold an all day working meeting April 18 at the Statler-Hilton, Boston. The program will feature four morning work sessions in the form of panel discussions. Chairman for the sessions is Hugh Chapin of Smith & Co., Boston, vice-president of the association.

A panel on selling complete liability protection will be moderated by William T. Donahue, Boston. Panelists will be Arthur H. Clarke of Springfield, J. Fred Mehr, Hartford Accident, and Hugo G. Anderson, American.

Robert M. Morrison of Morrison, Mahoney & Miller, Boston law firm, will moderate a panel on agency valuation. Panel members will be Thomas E. Brew, accountant with Andersen & Co., Boston; John Kugler, Danvers agent, and John Mulvihill of Jones, Mulvihill Co., Hartford.

Commercial packages for the '60s will be analyzed by a panel moderated by Barney Mazonson, Lynn agent. Participants will be Frank Mills, Worcester and William Hutchins, Boston. Stanley Gibson, Phoenix of Hartford, will round out the panel.

Three Massachusetts agents will take part in a panel on creating a better agency image. Frederick H. Bubier, Maynard, will moderate, and Milton Gray Jr., Orleans, and George Curtin, Cambridge, will be panelists. Also participating will be Archie Slawsky Nashua, N. H.

The panels will be arranged so that producers can attend two of the four sessions. Luncheon speaker will be Chase M. Smith, senior vice-president and general counsel Lumbermens Mutual Casualty.

Cooper Heads New Office Of Pacific Employers Group

Lynn Cooper has been named manager of the new branch office of Pacific Employers in Sherman Oaks, Cal., at 4525 Sherman Oaks Avenue.

Prior to joining Pacific Employers, Mr. Cooper spent more than six years with General of Seattle, starting his career with that company as a special agent in St. Louis.

Edmund W. Clarke, vice-president and assistant to the president of Transamerica, has been elected a director of American Surety. He joined Transamerica in 1960 as a vice-president. He is also a director of Pacific National Fire, American Life, and Surety Fire of the Transamerica group.

CPCU Seminar Will Eye Custom-Made Insurance

Custom-made insurance will be the theme of northeast district of CPCU institute, April 25-27 at Point Pleasant, N. J. Joseph Smith, Union Carbide Co., will speak on the problems that custom-made insurance poses to insurance managers. Rudolf Christiansen, vice-president American Reciprocal Managers, and Allan L. Dow, vice-president Liberty Mutual, will discuss the reciprocals and direct writing company approach to custom-made insurance. Hawthorne Criddle, Os-theimer & Walsh, Philadelphia agency, will present the producer's approach to this problem.

Among other speakers will be Elmer Twaits, secretary National Bureau, and Max Beam, superintendent of underwriting Employers Surplus Lines.

Bill Increases WC, Other Benefits To Longshoremen

WASHINGTON—The House committee on education and labor has reported a bill that would amend the longshoremen's and harborworkers' act to increase the maximum rate of disability compensation from \$54 to \$70 a week.

The bill would also expand the average weekly wage of deceased persons, used as a base for computing amounts paid to beneficiaries, from \$81 to \$105.

Hartford Fire Sponsors Junior Marshal Letters

In its current issue of Junior Fire Marshal magazine, distributed in some 15,000 elementary schools, Hartford Fire is sponsoring a letter writing safety campaign. Junior Fire Marshals are urged to write to friends or relatives, describing fire hazards and preventive precautions. Classes reporting 100% participation in the project will receive Junior Fire Marshal T-shirt emblems.

Pacific Indemnity Names

Kipe At Los Angeles

Pacific Indemnity has appointed A. N. Kipe superintendent of the A&S department at Los Angeles. He joined the company in 1959 after 25 years with North America group.

Rossi Joins Reliance

John Rossi has joined Reliance at Los Angeles as special representative traveling the entire area supervised by the Los Angeles office.

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GAB In Widespread Regional Changes

General Adjustment Bureau has promoted Kenneth G. Critton from Connecticut regional manager to executive manager with supervision of central and western New York and all of Pennsylvania.

W. D. Venable has been named executive manager of New Jersey and retains charge of Maryland, Delaware, District of Columbia and the Virginias.

Region 5, including all of Connecticut, has been realigned with region 4; the Providence branch has been transferred from region 4 to region 3; the Wilmington, Del., branch has been transferred from region 14 to region 11; and Pennsylvania branches at Altoona, Du Bois, Erie and Johnstown have been reassigned from region 12 to region 13. Managers of the regions thus formed are, in that order, Emerson W. Elliott, Clayton J. Kannair, A. E. Strehler, and Arthur R. Gore.

Noren To Midwest For Worcester Mutual Fire

Robert E. Noren, special agent of Worcester Mutual Fire, has been transferred to northern Ohio and Indiana from eastern Massachusetts and Rhode Island. Before joining the company in 1957, he was salesman and later general manager of the Alexander Jarvis agency of Manchester, Conn. He is past secretary and treasurer of New England 1752 Club.

National Fire Names Ritzie At Columbus

National Fire has appointed Robert L. Ritzie state agent of central Ohio with offices at Columbus. He joined the company in 1956 and after traveling the southwest Ohio territory was transferred to Columbus to head the fire, marine and multiple peril division.

231 Pass Institute Exams

The requirements for the certificate of Insurance Institute of America were completed by 231 persons in the examinations given last Jan. 23-25. The new graduates will be awarded certificates at the annual meeting of the institute next November in New York, or at local meetings whenever appropriate arrangements can be made.

The passing ratio for the A, B and C examinations in January was 67.7% with 1,865 examinations taken by 1,764 persons. In January, 1960, 1,377 examinations were taken by 1,238 persons, who attained a 74% passing ratio.

Since the first series of examinations was given in 1953 under the revised educational program, 21,593 persons have been awarded the certificate. The next examination series will be conducted May 22-24.

Reliance Names Three

Reliance has appointed Robert J. Burns claims manager at Syracuse. He has had many years experience as a claims adjuster and manager.

Hervy W. Schofield Jr. has been appointed casualty special agent for Philadelphia and Delaware county. He succeeds T. H. Davis who has been transferred to New Jersey. Mr. Schofield has filled various underwriting positions at Philadelphia.

Richard C. Bond, president of John Wanamaker Co., has been elected a director of North America.

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for our agents

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111 JOHN STREET • NEW YORK 38, NEW YORK

BRANCH OFFICES IN PRINCIPAL CITIES

Zurich-American Deploys Field Men For Maximum Marketing Job

(CONTINUED FROM PAGE 1)

to aid them in assisting agents to sell multiple lines.

Paramount in the company's marketing practices are the questions of where and with whom it will do business. It is resolved to avoid unprofitable areas and to drop unworthy part-timers from its agency rolls. These two objectives are an important part of the intensive campaigns which have as their purpose the analysis of the profitable business potential in a territory, selection of the best independent agents through whom this business can be obtained, improvement in service, introduction of new coverages, and an increase in rewards for agents as the company moves toward its goals.

A rundown on the Zurich-American campaign in an eastern territory last fall illustrates how the company is making unprecedented use of its field force in its own and its agents' interest. To get to the heart of maximum production in a territory, the company decided, the local sales rep-

resentative needs marketing assistance in depth. An intelligent production program demands analysis of all marketing factors and early establishment of direct contact with all desirable production sources. This is too big an order for any one sales representative, since all of them are, in effect, working against the clock in the company's sales drive.

Crack Team Brought In

Zurich-American, therefore, decided to bring into the territory for one week a crack team of six sales representatives, including men from other territories, to fine-comb the selected area, under supervision of a sales superintendent.

A lot of pre-planning and carefully mapped strategy preceded the start of the campaign. The local field man and his sales superintendent had prescreened the entire territory. This was divided into six sections, and one was assigned to each man for exploration in depth. Each was given a list of the specific agencies with which the com-

pany would like to do business. Any agency appearing on this list had been subjected to a test which established it, in the company's view, as a professional insurance operation. These agencies were informed in advance by letter of the forthcoming visit.

Preparation Important

Before hitting the trail, however, the sales representatives met on Sunday night at their motel headquarters for a kickoff meeting and for an explanation of the presentation folder of company advantages they were to use in their week's contact with agents.

Also attending this meeting were a company officer, the local claims manager, a boiler expert from the territory, and the group and disability benefits expert. The sales representatives reviewed the available company facilities in the territory in order to discuss these important points intelligently with prospective agents. This review was particularly helpful to the sales representatives who had come in for the concentrated drive in a territory strange to them.

On Monday morning, the men set out on a steady program of agency visits which continued until noon Friday. They introduced themselves, presented the company's marketing and service story and left the business card of the local field men, who "would call back."

After each call, the sales representative prepared a comprehensive report on each agency. In addition to details of the visit, this report rated the position of the agency in the community and indicated its financial status, the experience of its personnel, the companies it represented and the commission practices. Also detailed in the report were underwriting problems, if any, reasons for the agent's interest in Zurich-American, and what the company could do to foster this interest. Personal comments by the field man making the call completed the report which became part of the sales ammunition of the local sales representative on his follow-through calls. Each night these reports were reviewed and analyzed.

Procedures Described

The impact of the six man coverage of the territory in question was not long in being felt. Field men of other companies expressed wonder on being told in numerous agencies that the Zurich-American man had been around. The six man team had honey-combed the area in one week—a task which would have taken the local

field man many weeks.

The agents visited had a good reason to remember the Zurich-American man's call. The carefully planned sales presentation made by each man to introduce the company was calculated to take a minimum of the agent's time and give him a maximum of information on which to base possible representation of the company.

The sales representatives outlined the company's facilities and practices in detail. They frankly discussed commissions and cited examples of the company's profit sharing plan as applied to agencies of varying volume. They stressed the company's desire and ability to aid agents in multiple line selling of lines demanding professional ability as well as of lines that are "merchandised." They illustrated the company's dedication to the principle that the sale of one line leads to another and emphasized that opportunities for account selling are endless when the agent has behind him the facilities of a company with a modern marketing viewpoint.

Kit Was Left

When an agent evinced particular interest in the company, the sales representative left with him the company's prestige presentation kit—Tomorrow's Business Today. This gave the agent an added opportunity to review at leisure the Zurich-American marketing story. The kit contains all pertinent information about the company's financial standing, its facilities for agents, particularly services especially designed for the territory in question, illustrated brochures of lines being emphasized, and related materials. An important part of the kit is Zurich-American's brochure on Insurermanship—an agent's guide to more sales per call and more dollars per sale. This stresses the sales-minded cooperation the agent receives from the company as well

Telephone Employees Of Baltimore To Issue Stock

Telephone Employees, Baltimore, has filed with the SEC for registration of 43,117 shares of stock to be offered at \$27.50 a share to stockholders of record on the effective date of the statement at the rate of two shares for each three held.

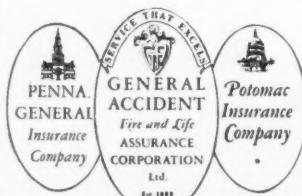
The company, which was formed in January, 1960, to engage in all lines except life and annuities, now writes automobile in Maryland and the Virginias, principally for employees of telephone companies. The company has outstanding 64,675 shares of common stock of which 10.7% is owned by management.



Aerial View of a Marketing Plan

From the personal insurance needs of a family on the go, to the complex requirements of a giant turnpike authority... a tremendous challenge to the abilities of an insurer. General Accident offers multiple line facilities scaled to a constantly widening market.

That's why successful agencies from Maine to California consider the General Accident Group their major carrier.



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as the technical departments at his disposal.

Zurich-American reports that the men brought in for the intensive prospecting were cordially received on all calls. The agents seemed to feel that in attempting to raise the level of its representation in the area, the company was giving a lift to the agency system. More specifically, the agents felt that as more and more professional producers took the company on, the company would further improve its service in the territory, so that all representative agents would benefit.

Has Definite Advantages

From the company's standpoint, the intensive prospecting program has decided advantages, aside from the obvious one of building professional representation in desirable territories. The psychological effect on the local sales representative stimulates him to step up his efforts to aid agents in selling. After the campaign, he has an analysis in depth of the agency potentials of his territory. This enables him to concentrate on producers who are doing a professional job. It steers the special representative away from undesirable producers and prevents him from wasting efforts on part-timers. In short, the analysis and the consequent follow-up propels the special representative toward profitable use of his time. Thus, those agents who deserve and need sales help are the chief beneficiaries.

The intensive prospecting campaigns are only one phase of Zurich-American's intelligent use of its field force. The major obligations of the sales representatives continue to be:

1. To sell the agent on necessary changes in operating methods to help him meet competition.
2. To develop better communications between the agent and the company.
3. To recruit new and capable persons into the agency plant to do a professional job for insured.

Intensive prospecting is Zurich-American's way of speeding up its moves toward these objectives in the interest of the customer, the agent and the company.

S. N. Eben Corp. Elects

S. N. Eben Corp., New York broker-age firm, has elected Charles L. Hyde chairman, A. Bradley Eben president, and William A. Prendergast vice-president and a director. John Donohue of Donohue & Co. has been elected a director.

A. Bradley Eben, son of the firm's founder, has been a trial and corporate attorney for 25 years and is a director of Consolidated American Life.

Eaton Forms Own Reinsurance Firm

Arthur B. Eaton, reinsurance intermediary, has formed a new corporation, Arthur B. Eaton & Associates, at 9-11 Maiden Lane, New York, to specialize in treaty and facultative reinsurance.

Mr. Eaton is president. E. J. Gallagher, formerly with the New York office of George F. Brown & Sons, is executive vice-president, and John W. Eaton is vice-president. Directors are these three plus J. Clayton Lamont, Oppenheimer Plastics of Willow Grove, Pa., and James A. Boyden, assistant vice-president Brown & Sons in New York.

Mr. Gallagher's background includes fire underwriting experience with Pacific of New York.

John W. Eaton is the son of Arthur B. Eaton. He is a broker and has produced a sizable volume of life insurance through Penn Mutual Life.

Arthur B. Eaton began in insurance in 1928 with North America. After 15 years he joined Royal-Globe and later became agency director of American Mutual Liability in Boston. Returning to New York, he was appointed general sales manager and assistant to the president of Lumber Mutual, now New York Mutual Casualty. He also served for a time as vice-president of Manufacturers Casualty.

John Ritter Advanced By Interstate F.&C.



J. P. Ritter

John P. Ritter, manager of the production department of Interstate Fire & Casualty, has been elected an assistant secretary of the company. Mr. Ritter joined Interstate F.&C. in 1955 as field representative in Chicago and downstate Illinois. He was appointed

production department manager Jan. 1 this year.

Phoenix Of London Names Kenney Manager At Newark

Phoenix of London has appointed Richard P. Kenney manager at the Newark service office. The Newark office is supervised by Robert M. Lowd, vice-president of the eastern department.

TRAVEL INSURANCE by L&L

Agents report added premium volume with London & Lancashire's new combined Trip Accident and Travel Baggage policy.

Contact your L & L fieldman for complete promotion kit, including sure-fire counter display and sales folders, or write . . .

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When you represent Pawtucket Mutual, you represent *strength*. (It is one of New England's oldest and strongest companies.)

When you represent Pawtucket Mutual, you represent *savings*. On all fire and allied lines these savings amount to 20%. On the other Pawtucket line — homeowners forms 1 through 5, automobile physical damage, and all inland marine lines — the company pays generous dividends.

When you represent Pawtucket Mutual, you represent *prompt claim settlement*, handled by independent adjusters.

For you as an agent, Pawtucket means liberal commissions. In addition, you have the advantages of large line facilities through Pawtucket's membership in New England Mutual Fire Underwriters Association and Mutual Inland Marine Underwriters of New England.

If you prefer not to miss bigger profits — and the opportunity to provide the best in protection and service — join the other independent agents who prefer Pawtucket. Wire or write today for full information.



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Lower Air Trip Rates Are Seen For Other States In Near Future

Lower domestic air trip insurance rates, put into effect at Washington National Airport and Houston International Airport recently, may soon be extended to other airports.

This forecast has been made by Tele-Trip Co., a subsidiary of Mutual of Omaha, which holds the air trip insurance concession at the two airports.

Tele-Trip has made application to state insurance departments in New Jersey, Illinois, Tennessee, Utah and Wisconsin to charge the lower rate at Newark Airport, Midway Airport in Chicago, Chattanooga, Salt Lake City and Milwaukee.

An air traveler in Washington and Houston now pays two and one-half cents for each \$1,000 of air trip insurance with a top limit of \$150,000, as compared with the old rate three and one-third cents for each \$1,000 with a theoretical limit of \$425,000.

Clough Promotes Two

William C. Lutter has been appointed a secretary and L. Sidney Garvais an assistant secretary of Herbert Clough Inc., New York reinsurance brokers, a subsidiary of General Re. Mr. Lutter joined the organization in 1957 as an underwriter, after more than 12 years with the parent company. He was made an assistant secretary in 1960.

Mr. Garvais was with National Fire at New York for 11 years as supervisor of the fire underwriting and brokerage department staff, before joining the Clough organization in 1960.

Louisiana Field Men, III Hold A Joint Seminar

North Louisiana Fieldmen's Club and Insurance Information Institute together held a speakers' seminar at Shreveport.

The program was under the direction of Paul Blaisdell, III's special activities director, New York, and Albert Thomasson, assistant regional director III, Atlanta.

Participating in the program were Melvin Jones, executive director Louisiana Safety Assn., J. E. Alford, Employers group, and Thomas Milliken, Steckler Co.

Mr. Jones pointed out the necessity for improving highway safety programs by showing the increased accident statistics. He said that one out of five drivers will be involved in an accident this year.

Calling for increased research in the field of highway safety, Mr. Jones contrasted the \$400 per death from polio spent on research with the \$2.50 per traffic death so spent.

Rochester CPCUs Meet

Rochester, N. Y., chapter of CPCU inaugurated its activities at a special luncheon meeting in March. R. Gordon Callan, vice-president of Royal-Globe, spoke on safe driver plans. John J. Holahan, president of the chapter, outlined CPCU purposes and activities in the area.

C. Judson Pearson, former West Virginia commissioner, has reopened his law offices at Charleston in the Nelson Building. Mr. Pearson for a brief while went with the executive staff of American Life Convention, but decided to keep his residence in West Virginia.

The Picture of Success



LIKE TWO PEAS IN A POD

George F. Connors, Jr. and LaSalle Casualty Company go together like two peas in a pod. George, for example, is an architect of unique plans and coverages; LaSalle is a springboard for his creative ideas and development.

George is in charge of underwriting administration, a most important segment of our business. As a key staff member, he is a natural complement to LaSalle's aggressive and pioneering spirit in the formation of optimum coverages for modern industry.

Is it any wonder that more and more producers are seeking the professional assistance of a company like LaSalle which plays a dominant role in putting effective selling ideas to work?

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Cites Need For Surplus Lines Market

(CONTINUED FROM PAGE 18)

experimentation, Mr. Daenzer noted. When a large enough class is established—bankers blanket bond or jewelers block, for example—it is taken over by domestic insurers, and Lloyd's only shares in reinsurance as a reward for its highly expensive experimentation.

Gives Examples

Mr. Daenzer provided dramatic examples of the importance of Lloyd's in making a book of diverse hazards—normally uninsurable in the domestic market. He preceded each illustration by identifying the coverage in question:

1. All-risk, including flood and earthquake on buildings, contents, and business interruption—The scene is a large brokerage firm which has handled for years a large chain in the U.S. A study shows that over a 10 year period, the two largest losses have not been fire or wind but flood and surface water. An arrangement is made at Lloyd's to provide several

million dollars worth of insurance per location, with a \$25,000 deductible on each loss, so that no matter what contingency arises, the capital and surplus of the company is not seriously hurt. During Hurricane Donna, a small chain with a similar cover was lucky to have a Lloyd's broad all risk form. While there was no wind damage to the premises, a heavy downpour of rain in a matter of minutes so flooded the streets that surface waters raced through the first floor and basement of one location. There was a large loss. This firm had been expanding rapidly with small capital and surplus. Before insured realized that he had coverage, he had actually considered a merger or new financing to protect himself during this period of catastrophe.

2. Valued use and occupancy—A fork lift truck weighing several tons hits the high metal shelving in a food warehouse. The heavy shelving is set in motion, rocks, and topples, and like a set of cards, other stacks crash. There is some salvage on canned goods. There is a tremendous amount of breakage and a mess of ketchup and mayonnaise, ending up in French dressing. The client not only has all risk U&O on the warehouse for its own account but also valued contingent U&O on an all risk basis for the stores serviced by the warehouse.

3. Umbrella liability—A Long Island, N.Y., firm suddenly discovers that its salesman in Washington, D.C., who happened to be a Navy pilot, has been leasing a plane to cover Jacksonville and Atlanta. The firm could have a non-ownership aircraft loss which could run into millions and wipe out the entire capital and surplus of the company. An umbrella holds the loss potential to a maximum of \$25,000.

4. Confiscation insurance—The mortgagee who owns a hotel in Central America (where there has been a slight bit of trouble) has become unhappy. Confiscation insurance is provided abroad at a very reasonable price.

5. All sorts of contingencies—The non-appearance of performers in theatres, motion pictures, concerts, radio shows, exhibitions may be covered at Lloyd's. The interference with any performance or event by the weather, by the destruction of buildings or the disappearance of equipment may be covered abroad.

Southwestern Indemnity HO To Dallas, Orr Is Named

The home office of Southwestern Indemnity has been moved from Waco to Dallas. The company is part of the Preferred of Grand Rapids group. Last year Southwestern Indemnity showed a net income of \$198,810 which compares with an underwriting loss of \$143,611 and a total net income of minus \$137,969 in 1959.

Roy Orr has been appointed agency supervisor of Southwestern Indemnity and will be in charge of establishing a new Texas agency system to supplement the old plant of specialized auto agents. Mr. Orr has been with Pacific National as special agent for four years, and for four years before that was a fire underwriter with Trinity Universal.

Boone Boss Of The Year

Insurance Women's Club of Washington (D. C.) has presented William A. Boone, general manager for Aetna Casualty at Washington and Baltimore, with its first "Boss of the Year"

award. A cocktail party preceded the presentation dinner and dancing followed.

GAB Names Two

Henry B. Simpson Jr., General Adjustment Bureau manager at San Bernardino, has been named manager at Los Angeles, replacing William R. Browne, deceased. Named manager at San Bernardino is Howard E. Brown.

Mr. Simpson joined GAB in 1951 at Riverside, Cal. He was named manager at Palm Springs in 1958 and manager at San Bernardino in 1959. Mr. Brown

has been with GAB since 1953. He served at both the Los Angeles and Riverside branches and joined the San Bernardino branch in 1959.

The Beverly agency on April 15 will hold open house in its redecorated offices at 1400 West 103rd Street, Chicago. This is the former John W. Casey & Sons agency which has been in existence since 1892. The agency was sold by John Hennessey, who is retiring, to a group of Beverly Hills citizens, and Charles B. Taylor is the new president.

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Grand Rapids 1, Michigan

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INSURANCE TO FIT THE NEED

Renewing or selling

OUTBOARD MOTOR BOAT

**don't overlook
liability coverage**

✓ For a rapidly increasing number of boat owners, the investment they have in their boat and its equipment now runs into quite a little money. The growing demand for Inland Marine coverage on outboard motor boats to protect that investment deserves attention.

✓ While that policy does provide a limited amount of protection against claims for damage to other boats, liability coverage for injury to people is much more important. For any client not covered by a "CP" or a Home-owners policy, "Shelby" agents consistently recommend Comprehensive Personal Liability be endorsed on the Outboard Motor Boat policy. They find it pays.

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FIRE, CASUALTY, AUTO

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**Fire & Casualty
Company**

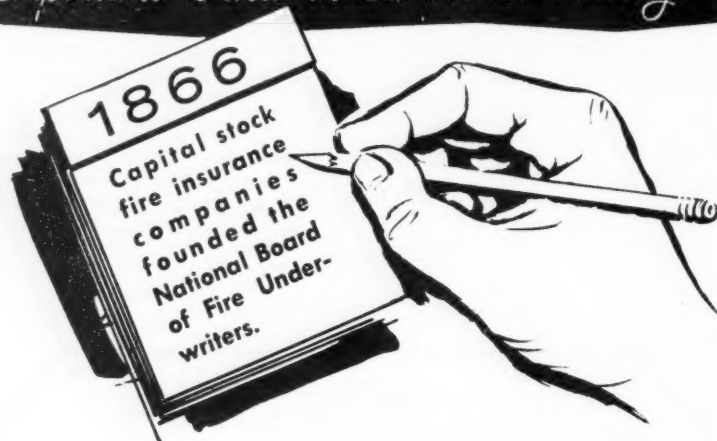
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**Insurance
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HOUSTON 1, TEXAS

Important Dates in Insurance History



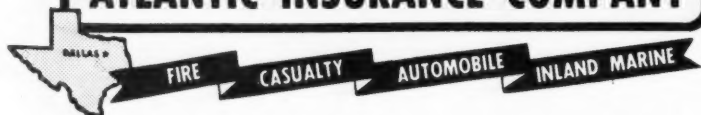
Its creation was brought about by the post-civil war wave of incendiarism, frequent city-wide fires and general chaotic conditions of the fire insurance business.

In 1925 GULF INSURANCE WAS ORGANIZED—

**Today the Gulf Group is
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To Eye Implications Of All Lines Marketing

Society of CPCU will present a discussion of all lines insurance at the University of Georgia May 23-25. Institute chairman is Fred W. Lagerquist Jr., president Kennesaw Life & Accident.

Robert A. Rennie, vice-president Nationwide Mutual, will explore market research implications of all lines underwriting. Robert Lyons, director of research Chubb & Son, will discuss all lines product planning. George Shackelford, vice-president Travelers, and Morris G. Fuller, president State Farm Life, will treat operation, coordination and control of the all lines product.

George Evans, assistant vice-president American Casualty, and Davis W. Ellis, vice-president Allstate, will deal with product distribution—costs, conservation, and underwriting problems of the company. Robert H. King, Federated Hardware Mutuals, Atlanta, will handle the agency problems in this area.

Consolidated Mutual Raises R. M. Powlen At Rochester

Consolidated Mutual has advanced R. Michael Powlen from special agent to regional sales and branch manager at Rochester, N. Y.

Mr. Powlen has been associated with the company since 1959. Previously, he was a casualty underwriter with Public Service Mutual.

Preferred Names Harper State Agent In Ohio

Preferred of Grand Rapids has appointed Warren J. Harper state agent in Ohio. He has been field agent there for Employers group of Cleveland and Cincinnati Ins. Co.

Mr. Harper began his career in 1946 as special agent for Home at Chicago. In 1954 he moved to Ohio and for the past two years has headed his own agency in Marysville, O.

Clarke In Va. For Boston

Boston has appointed John L. Clarke special agent at Roanoke, Va. He will be associated with George Hanger, associate manager of the Virginia-Carolina department.

Hanover Names Walbrandt

Hanover has appointed Dennis L. Walbrandt state agent in Kansas with headquarters at Topeka. He has been fire and casualty underwriter in the western department.

Shanosky Named V-P Of Unity Fire & General

Leo C. Shanosky has been elected vice-president of Unity Fire & General.



Leo C. Shanosky

He joined the organization in 1956. Before that he was with Royal-Globe in underwriting positions. With Unity Fire & General, he has been active in multiple line underwriting and in production capacities. He was named assistant vice-president in 1958.

AFIA Branch At Seoul

American Foreign Insurance Assn. has opened a branch at Seoul, where member companies of the association have conducted fire, marine, casualty and surety business since 1950.

The new office is headed by R. A. Kreulen Jr., formerly manager at Okinawa, and will be supervised by the Tokyo office. It will service agencies of American, Great American and Home.

Pacific Claim Executives Slate Semi-Annual Meeting

Pacific Claim Executives Assn. will hold its semi-annual meeting in Seattle, April 27-28.

The association, whose president is Howard C. Dickey, vice-president Pacific Employers, is comprised of claim executives from 43 member companies. Robert C. Keating, vice-president Western Pacific, is program chairman.

Insurance Square Club Of N. Y. Names Officers

Insurance Square Club of New York has elected Robert J. Hart, Zurich, president; Albert Bluth, Bluth Co., 1st vice-president; Alfred E. Abrahamson, Crum & Forster, 2nd vice-president; Alfred S. Diederich, Chubb & Son, treasurer, and James S. Russell, retired from Whitehill agency, secretary.

Camden Names Stone

Camden Fire has appointed Robert Stone special agent at Louisville. He has been in the Kentucky field for Aetna Fire and Home.

O. L. Cooper Adjustment Co. of Logansport, Ind., has moved to new and larger quarters at 305 High Street.

SINCE
THE DAYS OF
"Tippecanoe
and
Tyler, too"



Back in 1841, amid campaign cries of "Tippecanoe and Tyler, too" a national hero—William Henry Harrison was elected as the ninth President of the United States.

During that same year, in Camden, New Jersey, an enterprising group of business and civic leaders joined together to found The Camden Fire Insurance Association which this year is celebrating its 120th anniversary.

The Camden

FIRE INSURANCE ASSOCIATION • CAMDEN 1, NEW JERSEY

Far West Agents Meet At San Francisco

(CONTINUED FROM PAGE 1)
the agents agreed that the safe driver insurance plan is filling an important need in the automobile field. Mr. Savage noted that companies interested in producing new automobile insurance under SDIP are having distinct success.

On swimming pools and outboard

Important Changes In Md. Casualty

Maryland Casualty has elected H. Ellsworth Miller president. He succeeds William T. Harper, chairman and president since 1954, who continues as chairman and chief executive officer. Mr. Miller has been executive vice-president since 1959.

John G. Bauernschmidt II, nine years manager at Milwaukee, has been elected vice-president and placed in charge of the company's west coast operations.

Federal Agency Buys Coverage In England

WASHINGTON—The federal maritime administration has paid \$275,000 for insurance in the London market to cover the government's interest in ships with mortgages guaranteed under title XI of the merchant marine act. The coverage was arranged through Lambert Brothers Ltd.

The maritime administrator, Thomas E. Stakem, said the coverage is an extension of the principle of the mortgagee clause presently contained in fire policies and protects the mortgagees from acts of the mortgagor not presently covered by insurance, including due diligence to make the ship seaworthy.

The insurance also will cover any failure by the mortgagor's brokers to make proper representations and disclosures to the underwriters on his vessels. The mortgage security is protected even though maritime liens might be incurred which would outrank the mortgage and thereby reduce the security, as in event of a serious marine disaster, according to the administrator.

The coverage is required to be attached as of April 1 by owners of 34 vessels presently covered under the mortgage guarantee program.

Mr. Stakem indicated the insurance was purchased in England because it is not available in the U. S. However, he said, he had asked that a portion of the insurance be replaced in American insurers.

San Antonio A&S Men Elect Moeller President

San Antonio Assn. of Health Underwriters elected the following officers at the March meeting: Wesley T. Moeller, Prudential, president; John W. Lewis, Paul Revere Life, 1st vice-president; Roland M. Aycock, Southland Life, 2nd vice-president, and Leroy W. Smith, Great Southern Life, secretary-treasurer.

Urge N. C. Fire Rate Study

A bill has been introduced in North Carolina providing for a study commission on fire rates. The bill has been referred to the house insurance committee. A proposed report and recommendations for revisions of standards and methods would be made to the 1963 legislature.

motor boats, the agents went on record as proposing that coverage on both of these exposures be provided automatically on existing policies until expiration.

Mr. Savage pointed out that automatic swimming pool coverage is contained in current CPL policies and that similar coverage will be spelled out clearly in the next revision by IRIC in homeowners policies. Neither CPL nor homeowners policies currently cover outboard motor boats

without endorsement, he added.

Myles Smith, Pacific Coast director Insurance Information Institute, addressed the conference on the need for aggressive public relations programs carried out by state agents' associations. W. F. Williams of the National Board and Perry Taft of Assn. of Casualty & Surety Companies emphasized the importance of responsible legislative activity by agency organizations. Only by being an active voice in the state legislature can an agents' association effectively guard the interests of the public and the in-

surance industry generally, they said.

Others appearing before the conference were Al Gilbert and Fay Hawkins of Pacific Fire Rating Bureau; Victor Slevin of National Bureau; Richard Arnberger of National Automobile Underwriters Assn., and Thomas G. Aston of California Automobile Assigned Risk Plan.

Frank Colridge, PFRB assistant general manager, was presented a special gift by the agents to recognize his years of distinguished service. Mr. Colridge will retire from his PFRB post May 1.

How custom design **PRINTED IN** here -
increases flexibility and speed of **PRINT-OUT**

Shown is a good example of a policy form designed for *full* programmed information.

R & S custom designed policies and forms will realize the top potential of your equipment (electronic or manual), and often this custom designing results in consolidation of present forms, simplified procedures and far less handling. Design recommendations are practical and workable because they are tested and approved by our Statistical Division, specialists in insurance data processing . . . this is an *extra service at no extra cost*. Here's another important *extra service*: **TEXT IS GUARANTEED** on all bureau continuous form policies.

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Editorial Comment

Well Chosen Words To Increase Profits

The biggest untapped source of net profit for American business lies in the area of written communication where waste cries out for management action. This waste arises from the incredible amount of dull, difficult, obscure and wordy writing in plants and offices. Such writing slows and complicates communication within a company and with customers, prospects and everyone else to whom the organization has occasion to write. The expense involved is incalculable.

The foregoing opinions expressed by Langley C. Keyes, vice-president of Hoag & Provandie, Boston advertising agency, in an article in the January-February issue of Harvard Business Review, may have particular application to the insurance business which is now seeking expense reduction in many phases of operation.

Mr. Keyes did not refer specifically to insurance communication in his article. But he paid his respects to the writing efforts of executives in other fields. He cites an example of 10 public utility officials working for 15 hours to produce a newspaper advertisement and press release announcing a rise in rates. Their misguided labors, which could have been simply handled by one competent person, resulted in writing which violated the first rule of communications: Easy understanding by the reader. The 10 self appointed experts did not use an active verb where they could substitute a passive one. They avoided terseness by using three words wherever possible in place of one. They favored abstract expression over fresh and concrete phrases, and tossed into the wastebasket any and all elements of human interest which could have served as illustration.

They were simply succumbing to a tendency common among business men of using abstract polysyllables for dignity, passive verbs for avoiding responsibility, and long sentences for obscurity.

One of the wonders of the modern business world is that the typical

executive, who hesitates to invade the province of other specialists in his company, has no qualms about taking over the function of the specialist who has been hired to communicate ideas. Few insurance officials would barge into the accounting department and disrupt the activities there. They have too great a respect for the precision of figures. But words should be even more precise, because practically everybody can read and understand figures, while words must be made to convey the intention behind them. The advertising or public relations man of an insurance company is used to having his pencil snatched by well meaning but unskilled company officials who outnumber and outrank him. If the ad or PR man is competent, there is no excuse for this; if he is not, he should be replaced. In either case, bumbler should not attempt to do his job.

The incredible waste in communications in insurance, as elsewhere, is a two pronged problem. It involves official company communications. These should always be handled by an expert hired for that specific purpose, and his area of operation should be closed to "literary" helpers from the official family.

This, however, will not solve the problems arising from the incompetence of executives, supervisors and others to communicate their ideas in letters, memoranda and other media. It is in these areas that companies are sustaining immeasurable loss in expense dollars. There is no easy cure for this waste.

It is simple to advise company officials and others to "learn to write." But this can also be dangerous advice because it puts business writing in a separate and special category of activity. Actually, such writing is nothing more than clear thinking with a pencil in hand. Most business men are quite capable of thinking. But when they approach the task of setting down their thoughts, they formalize the procedure and obscure their thinking

with fancy doodads of expression and verbiage.

A famous sculptor was once asked how to produce a beautiful statue. His recipe was simple: "Take a big slab of marble and use your chisel to chip off all the material you don't need. Once the waste is removed, the likeness emerges." This is close to a perfect prescription for business writing. Know what you want to say, set it down, and strike out everything that impedes your message. This is not easy, but the business man who tries to accomplish it will have the satisfaction of knowing that he is helping his readers to understand him and is also saving time and money.—J.N.C.

Deaths

OWEN C. TORREY, 71, retired general manager of Marine Office of America, died at Rye, N.Y. When Marine Office was organized in 1919, he became its ocean marine underwriter and was named assistant manager, subsequently advancing to general manager. He had also been president and a director of S.D. McComb & Co. and vice-president and director of United States P.&I. Agency, as well as co-director of Associated Aviation Underwriters. Mr. Torrey was a past president of American Institute of Marine Underwriters and of Board of Underwriters of New York. He served on many general marine committees and was a member of the original underwriting committee of American Cargo War Risk Reinsurance Exchange. He retired from Marine Office in 1954. Mr. Torrey's insurance career began in 1911 with F. Hermann & Co., marine underwriters in New York. He continued with the successor firm, O. G. Orr & Co., until 1917 when he entered military service.



Owen C. Torrey

RUSSELL OWEN, 67, retired superintendent of the loss department of National Fire in the western department at Chicago, died at Hendersonville, N.C. A graduate of Armour Tech. Mr. Owen was with Indiana Inspection Bureau before he went with Na-

tional in the Wisconsin and Ohio fields. He was in California for two years with another company, and then returned to the midwest to rejoin National as superintendent of the loss department. He retired in 1957.

ENDICOTT FISKE, 76, retired underwriter of Chubb & Son, died at Morristown (N. J.) Memorial Hospital.

S. N. ANTHONY Sr., 65, local agent at Ripley, Tenn., died of a heart attack.

WILLIAM T. KOOP, 72, president of the Koop general agency of Minneapolis, died at his winter home in Miami. He had headed the Koop general agency for more than 40 years.

Mrs. LILLIAN HARNEY, 63, wife of Roy J. Harney, a retired field man of the Pacific Coast for American, died after a long illness.

ANGELA PARISI, 46, a member and former chairman of the New York State Workmen's Compensation Board, died. She was Gov. Harriman's appointee and was chairman from 1954 through 1958.

Mrs. G. D. FINLAYSON, the Canadian government's first woman insurance expert, died at Ottawa. She was the widow of G. D. Finlayson, who was superintendent of the government's insurance service at the time of his death in 1951. Mrs. Finlayson had been elected last June for a second term as president of National Council of Women, Canada's largest woman's organization. She relinquished that post in February due to ill health.

JOHN W. PETERSEN, 76, retired St. Paul agent, died. He entered insurance in St. Paul in 1920 after serving as superintendent of schools in three Minnesota villages.

ARTHUR G. HARADINE, 77, agent for State Farm at Grand Rapids, Mich., and in the business for 35 years, died after a three weeks' illness at Butterworth Hospital there.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co.
135 S. LaSalle Street, Chicago, April 4, 1961

	Bid	Asked
Aetna Casualty	125	132
Aetna Fire	102	106
American Equitable	22½	25
American, Newark	30½	32
American Motorists	17¼	18¾
Boston	34½	37
Continental Casualty	106	110
Crum & Forster	86¼	90
Federal	70½	73½
Fireman's Fund	58	60½
General Re	131	140
Glens Falls	40½	43
Great American	63¼	65½
Hartford Fire	64	68
Hanover	44¼	47
Home of N.Y.	58¾	60½
Ins. Co. of No. America	86	88
Jersey Ins.	33	35½
Maryland Casualty	42¼	44
Mass. Bonding	42¼	44¾
National Fire	127	132
National Union	44¼	47½
New Amsterdam Cas.	74	77¾
New Hampshire	57	60¾
North River	43½	46¼
Ohio Casualty	29¼	31½
Phoenix, Conn.	91	95½
Prov. Wash.	24	26¼
Reins. Corp. of N.Y.	25	28½
Reliance	66¼	70
St. Paul F. & M.	73¼	77½
Springfield F. & M.	40	42
Standard Accident	62½	65¼
Travelers	107	115
U. S. F. & G.	53	55¼
U. S. Fire	33½	35¾

Funk Claim Service of Terre Haute has opened a branch in Indianapolis at 917 North Pennsylvania. E. S. Tedrowe is manager in charge of the Indianapolis territory. He has 14 years' experience in claims work.

THE NATIONAL UNDERWRITER

The National Weekly Newspaper
of Fire and Casualty Insurance



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Holds Broker Owes The Premium Whether Or Not Insured Has Paid

Superior court at Seattle has held that a broker is responsible for premium payment to a general agent whether or not he has received the money from his insured. The case sets precedent in Washington.

Kenneth L. Tobey brought suit against Robert O. Fleming & Co. for \$1,265. Fleming placed a truck risk with Tobey but did not bill the insured, giving him instead normal credit terms. Insured became insolvent, the policy was cancelled, and Tobey looked to Fleming for the premium due. Fleming contended the broker was not responsible for premiums due and not collected.

It was argued by Tobey that there was an implied contract between a broker and general agent for payment of premium and that custom and usage holds the broker responsible whether he has collected the money or not. This position was substantiated by three or four general agent witnesses for the plaintiff, but denied by a retired manager of Marine Office of America, who described the broker as "the direct representative of the insured" whose only obligation is to look after insured's welfare.

The court ruled that the evidence clearly showed the policy was being written on the credit of Fleming and that the monthly form of billing used by Tobey indicated that the general agent considered the broker the customer and not the insured. "Wholesaler" and "retailer," according to the court, accurately defined the relationship of general agent and broker. He said he concurred with Tobey's argument and would adopt it as a finding of fact. "The evidence clearly indicates the custom is established and the courts must enforce it," the court declared.

Jury For Defendant In \$1 Million Suit

A federal court jury in New York City has found for the defendant airline in a suit for \$1,150,000 by the estate of William Kapell, young pianist killed in the 1953 crash of a DC-6 plane at San Francisco.

Melvin Belli, the California plaintiff's attorney, represented the estate. He argued that the pilot was willfully negligent in his unsuccessful attempt to land at San Francisco and that ceiling of \$8,300 should not apply to the recovery.

The plane belonged to British Commonwealth Pacific Airlines of Australia and was en route from Honolulu

to the U.S. when it crashed in the mountains 13 miles from destination.

Mr. Belli put a number of famous musicians on the stand to testify to Mr. Kapell's promise as a pianist. Mr. Belli contracted hepatitis during the trial but showed up in court to hear the verdict. After the verdict, he filed for a directed verdict or retrial. His motions will be heard April 14.

End-Of-Month Bid Prices Are Reported

(CONTINUED FROM PAGE 2)

Company	12/31/59	12/30/60	3/30/61
North River	41 1/2	41 1/2	43 3/4
Northern Ins.	136	130	135
Northern Life	98	88	96
N. W. National	97	90	95
N. W. Natl. Life	28 1/2	24	29 1/2
Ohio Casualty	72	60	65
Old Line Life	14	14 1/2	16 1/2
Old Republic	15 1/2	18 1/2	21 1/2
Pacific	58	55	57 1/2
Pacific Indem.	21 1/2	33	36 1/2
Pacific Natl. Life	18	15 1/2	21
Peoples	22	22 1/2	24 1/2
Peoples Life	40	34 1/2	40
Philadelphia Life	43 1/2	55	55
Phoenix	82 1/2	83	91
Prov. Wash.	20 1/2	18 1/2	24
Provident L. & A.	99	81	104
Quaker City Life	46 1/2	44	47 1/2
Reins. Corp.	19	21 1/2	25
Reliance	46 1/2	53 1/2	66 1/2
Republic	28 1/2	27	32
Repub. Nat. Life	33	33 1/2	47
St. Paul F. & M.	60 1/2	61	73 1/2
Seaboard Surety	43	39	42
Security	42	55	56
Security L. & A.	38 1/2	33	52
Sec. Life & Trust	47 1/2	41 1/2	52
Southland Life	98	88	97
Southwestern Life	60	53	75
Springfield F. & M.	29 1/2	33	39 1/2
Standard Acc.	58 1/2	47 1/2	62 1/2
Standard Life	60	49 1/2	55
Transamerica	29	26 1/2	33 1/2
Travelers	85 1/2	93	109
Trinity Univ.	41	32	34
United	33 1/2	32	43 1/2
United Serv. Life	49	60	103
U. S. Fire & G.	35	41 1/2	53
U. S. Fire	28 1/2	30 1/2	34
U. S. Life	43 1/2	42 1/2	60
Universal	22 1/2	28 1/2	29
Var. Annuity Life	55	8 1/2	13 1/2
Vol. State Life	56 1/2	45	58 1/2
Wash. National	31 1/2	31	36
West Coast Life	29 1/2	33 1/2	35 1/2
Westchester Fire	36 1/2	38 1/2	46 1/2
Western Cas.	40 1/2	28 1/2	31
Wis. Natl. Life			
† Two for one split			
* Adjusted for split			
†† Ex dividend, 6 1/2%			
** Ex 33 1/2% dividend			

Agent Advertises Total Resources Of His Companies

Ivan Steiner, Wooster, past president Ohio Assn. of Insurance Agents, recently ran an advertisement there entitled "A neighborly connection with \$3,378,741,927 worth of insurance responsibility."

"Our curiosity moved us the other day to sit down at the adding machine and total the aggregate resources of the insurance companies whose facilities we are authorized to call upon to protect you against fire losses, public or employ liability, and other home, automotive, commercial, or industrial hazards," the advertisement

read. "Through our independent agency you have a neighborly connection with this vast composite structure of financial responsibility."

Full Agenda For Zone 2 Commissioners

Julius S. Wikler, former New York superintendent and counsel for the commissioners federal liaison committee, will discuss surplus lines laws and model unauthorized insurance laws at the meeting of zone 2 of National Assn. of Insurance Commissioners April 26-27 in Wilmington, Del. Commissioner Gold of North Carolina is chairman of the zone.

Other items on the agenda are the restricted auto liability insurance market for older drivers, advisability of a statutory standard for auto liability policy cancellations, whether prior approval of rates should be discontinued, whether convention examinations of insurers should be abandoned, what constitutes material or fraudulent misrepresentation in A&S contracts, and whether there should be standardized language in A&S application forms.

New General Agents Assn. Names Officers

The first permanent slate of officers of Assn. of Greater Chicago Insurance Agencies has been chosen, with Samuel M. Chernoff, who heads Samar agency, as president. Ronald Martin, Martin-Wolf agency, is vice-president; Ralph Weiner of the agency bearing his name treasurer, and Louis Blumberg, Universal agency, secretary.

The association, which is comprised of general agents having a minimum monthly volume of \$50,000 from outside brokers, now has 11 members, the maximum to be 25 or 30. The basic aim of the new group is "to promote harmony and understanding between general agents and insurers and between general agents and brokers."

North America Publishes Shipping Hazards Report

The sixth edition of Ports of the World, a report to shipping management on port conditions and preventable losses, has been published by the marine service department of North America. It offers information to the foreign trader on overseas shipping hazards and how to prevent loss and damage to cargo. It lists 140 ports.

Protected Cargoes, a 16 mm. sound film on preventable marine losses, is also available to organizations engaged in foreign trade. The film dramatizes hazards of overseas shipment and discusses the loss prevention measures in packaging that overcome these problems.

Copies of the film and the report are available without charge from the public relations department company's.

New Handbook Of Oklahoma Printed

A new Underwriters Handbook of Oklahoma has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Oklahoma handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

Security-Connecticut Capital Hike Gets OK; Conn. Hearing Is Set

Stockholders of Security of New Haven at the annual meeting approved a proposal to increase authorized capital from \$10 million to \$20 million to be divided into 1,960,000 shares of common stock and 40,000 shares of preferred.

Stockholders also approved the exchange offer of 1 1/4 shares of Security for one share of New Amsterdam Casualty. Security gained control of New Amsterdam Casualty at the latter's stockholders meeting in January.

Commissioner Premo of Connecticut has set a hearing April 21 on the exchange proposal and on the increase in capital of Security.

Home, which sought control of New Amsterdam Casualty, disposed of a block of 9,564 shares of the latter's stock after Home's acquisition proposal was defeated at the stockholders meeting of New Amsterdam Casualty. This was revealed by Kenneth E. Black, Home president, in reply to a stockholder's query at the company's annual meeting this week.



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PRODUCTION

National multiple line stock company has opening in Mississippi for a man who can take charge of casualty production for the state. Candidate must have solid background in all lines casualty business with a proven record. Prefer individual who is familiar with agents & brokers in the state. Write in complete confidence, to: Box NU 880, 125 W. 41 St., N.Y.

We are looking for an aggressive, reasonably young man for a field position in Minnesota. This is a position for an experienced man who will assume responsibility for an established territory. The man who will fill the bill should have a good knowledge of the business from an underwriting standpoint, and is able to combine that knowledge with a confident sales personality. We have extremely broad multiple-line facilities and want a man capable of doing an exceptional job. Salary is open and will be commensurate with proven ability. Please give us full details of past experience and your reasons for desiring a change. Write to X-61, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE OR CASUALTY SPECIALIST

Preferably in thirties, with minimum six years insurance experience. Must be a specialist in either fire or casualty and have working knowledge of "all-lines". Duties would include handling and development of present corporate accounts and new corporate sales for strong metropolitan agency located in midwest. An unusual opportunity for man with character, experience, ability and personality. Submit complete resume in confidence to X-35, National Underwriter, 175 West Jackson Blvd., Chicago 4, Illinois.

ACCOUNT EXECUTIVE NATIONAL ACCOUNTS

An account executive position is open in a large, progressive company for a man capable of producing and servicing a portfolio of good quality commercial casualty, fire, and inland marine business on a national scale. He is responsible for contacts with agents, brokers, and insurance buyers. Write in confidence for further details. X-55, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

TRUCK PHYSICAL DAMAGE PRODUCERS

wanted for states of Florida, Ks., Ind., Ia., Mo., S.D. and states allowing surplus lines. Write X-12, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Auditor—Payroll Casualty Insurance

Aviation specialty company offers unusual opportunity to young man with background in payroll auditing. Home office accounts receivable and collections experience helpful. Limited amount of travel. Salary commensurate with ability. Submit detailed resume to X-30, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Casualty Fieldman

Well established multiple line company interested in a qualified casualty fieldman for Indiana. 30 to 40 years old and with 5 to 10 years experience. Send resume and salary expectancy to X-45, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY RESEARCH

Experienced Casualty Man with Underwriting, Actuarial or Forms background and CREATIVE INTEREST and talent for position in New York Home Office RESEARCH DEPARTMENT of large multiple-line insurance company. Send resume in confidence to: NY-58, National Underwriter, 17 John St., New York 38, N.Y.

Multiple line Insurance Company, Middle Atlantic area, desires Manager for Fire Department—Home Office. Also have opening for Asst. Manager Inland Marine Department—Home Office. Field and Home Office experience required. Salary commensurate with ability. Write to X-45, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

GENERAL AGENCY APPOINTMENT WANTED:

Recently organized stock company in Michigan with capital of \$250,000 presently writing fire and allied lines with full range of Inland Marine coverages invites inquiries from Casualty companies with view to a General Agency appointment in Michigan in order to offer multiple line facilities to agents. Would also consider Fire and Casualty company to offer increased capacity on fire lines. Modern progressive office, fully capable and experienced staff available. All replies confidential. Write to X-67, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

TRUCK INSURANCE SPECIALIST

Home Office background; underwriting, production. Excellent record with stable, growing, profit making companies. Absolutely clean reputation. Will organize (reorganize) your company on sound basis to produce growth and profit. Write to X-50, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

OFFICE MANAGER

Wanted for General Agency with 300,000 premium income. Detroit, Michigan area. Prefer married man 30-40 years of age. CPCU designation desirable. Option for part-ownership if you make good. Good starting salary. Send resume. Write to X-53, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

GENERAL INSURANCE PRODUCER

Chicago Property Management Company needs man to develop firm leads on North Side. Ideal for underwriter with small personal business. Write to X-54, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE & CASUALTY

Established Insurance Agency & Broker seeking reinsurance and excess company connection for preferred large risks, industrial and commercial, in Kentucky and Indiana. Write X-56, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ADJUSTER WANTED

Experienced FIRE INSURANCE adjuster for well-established northern Illinois independent adjuster. Must be capable of taking over complete fire loss end of the business. Our employees know of this ad. Submit resume to X-57, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Multiple Line Company desiring Managing General Agency contract located in Kentucky. Can offer excellent underwriting in the larger cities of Kentucky. Have operated in Kentucky for past 25 years. Reply to X-58, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

EXPERIENCED SPECIAL AGENTS

Leading multiple line agency mutual wants experienced Special Agents for eastern, midwestern, and south-western territories. Property and Casualty experience desirable. Reply giving age and insurance experience to X-59, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

General Of Seattle Has New Broad Cover For Retailers

General of Seattle is introducing its retailers policy on a nationwide basis. The policy combines broad fire, crime and liability coverages needed by nearly all retailers, plus a business interruption form based upon a stipulated amount with recovery of such amount for each business day lost. Another provision gives full coverage at all times on stock and equipment at a premium based on average value for the year as determined by an annual report. A special coverage endorsement provides all physical loss coverage on the retailer's building. Optional coverages may also include neon signs, glass, false arrest, and fire legal liability.

The basic crime coverage includes burglary, robbery inside or outside the premises, and theft from a bank's night depository or from the home of a custodian. An optional coverage includes fidelity of employees, destruction or disappearance of money and securities, losses due to money orders and counterfeit paper currency, and forgery of checks against the insured's bank account.

The company has designed a casualty rating schedule which streamlines the agent's work in determining rates for liability and crime coverages, and its new rate pages reduce the number of rating steps necessary from 11 to four.

To Meet In Ky. On Insuring Low Value Dwellings

The Kentucky department has named a committee which will conduct a series of meetings throughout the state relative to insurance on low valued dwellings. Scheduled meetings will be at Frankfort, April 19; Ashland, April 25; Pikeville, April 26; Corbin, April 27; Mayfield, May 2; Madisonville, May 3; Glasgow, May 1. The meetings are being called by H. Pell Brown, director of fire and allied lines.

COMMUNICATION SPECIALIST AVAILABLE IMMEDIATELY

Ten years experience successfully solving company problems in communication, advertising, and public relations. Outstanding record of proven results. Willing to augment present staff, organize complete department, or operate one-man shop. Broad background includes fire, casualty, surety, A&H, plus life and group. Age 37, presently in Hartford but willing to relocate. For complete resume write: X-4, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CLAIMS MAN AVAILABLE CHICAGO AREA

Over 15 years experience. Fire, Marine, Auto & time element losses—including several years as Claims Manager. Write X-62, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENTS

Our expansion program has created openings for multiple line fieldmen in Albuquerque, San Antonio, Lubbock, and Aberdeen. Prefer Young experienced production men now residing in these areas. Would consider local agency background. Write in confidence stating experience and salary requirements to Robert D. Norton, V-P, Cimarron Insurance Company, Cimarron, Kansas.

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FOR SALE: WELL ESTABLISHED FIRE, CASUALTY AGENCY—STOCK COMPANIES. APPROXIMATELY \$25,500. ANNUAL COMMISSIONS. PRICE \$40,000. INCLUDING FURNITURE AND FIXTURES. WRITE TO X-64, NATIONAL UNDERWRITER, 175 W. JACKSON BLVD., CHICAGO 4, ILLINOIS.

Continental Cas. Gives Campaign Details For Over-65 A&S Coverage

Continental Casualty, at a press conference this week at Chicago, offered details of plans for a nationwide campaign to enroll elderly persons in a combination package consisting of a short-term hospital-surgical plan and a policy for extended hospitalization. The enrollment period runs April 8-18. An earlier announcement was carried in THE NATIONAL UNDERWRITER last week.

The campaign will be heralded by publicity in double-page newspaper spreads, radio and TV commercials and direct mailings. Some 4.5 million people in New York, Newark, Chicago, Los Angeles, Long Beach, Minneapolis, St. Paul, Washington, D.C., Pittsburgh, Philadelphia, Detroit, San Francisco, Oakland, Boston, Cleveland, Miami, Houston, Portland, Ore., Cincinnati, Tampa and St. Petersburg are considered prime prospects.

Chairman Roy Tuchbreiter said the company expected to enroll at least 200,000 persons during the drive. At the very least, this would produce annual premiums of \$15 million.

Continental has conducted three health insurance campaigns in the past, but this will be the first time the two plans have been combined in a nationwide effort.

Mr. Tuchbreiter said the coverage has been devised to demonstrate that private industry can take care of people over 65 and that there is no need for the government to do the job. He noted that the short term policy, in a pilot run in Iowa, had received an encouraging response, indicating that older people want to buy from private enterprise.

Asked if this type of coverage would be cheaper than a government program, Mr. Tuchbreiter replied that it wouldn't, but it would provide about three times more benefits than would social security, plus the advantage of personal service.

Wash. Legislature To Study Auto Comp Plan

The Washington senate adopted in its closing hours a resolution requesting the legislative council to study the Saskatchewan automobile insurance act and draft a bill which would adopt a similar system for Washington in the 1963 legislature.

The Saskatchewan act, in effect since 1946, provides a compensation plan for accident victims.

Miss. Actions

Mississippi has approved a 7.2% increase in boiler and machinery rates filed by National Bureau. This consists of an increase of 15.2% for direct damage cover and a reduction of 10% for use and occupancy.

The commission deferred action on a filing by North America for a 25% deviation from bureau rates on the policies covering funeral directors, motels, apartments, and office buildings. The policies include fire, EC, other perils, general liability, and burglary.

N. J. Group To Hear Isaacs

Edgar E. Isaacs, vice-president Atlantic Mutual, will speak at the April 13 meeting of Passaic County (N. J.) Assn. of Insurance Agents at Casino De Charlz, Totowa Boro. He will discuss his plan for handling auto assigned risks.

Reverse Increase In Cover Given Insured On Reporting Form

U. S. court of appeals in northern Illinois has reversed a decision of district court that upheld an insured in a suit for \$32,188 when the last report on a reporting form showed values of the property to be \$14,360. The district court had held that because the insurers for years had accepted reports one to five months late without comment and in many months got no reports at all, they had, in effect, waived their rights. The appeals court said that the doctrine of waiver or estoppel cannot be invoked to increase coverage, and that, in fact, there can be no waiver of the monthly reporting clause; insured, by filing his reports late, was bound by the report of value last filed prior to the fire.

Fire At O. Henry

A fire occurred to the property of O. Henry Tent & Awning Co. in Chicago on March 28, 1956, causing \$32,188 of damage, according to its insurance company adjusters. The property was insured in Commonwealth, Continental, Milwaukee and U. S. Fire under a multiple location reporting form A.

The insurer offered to pay \$14,360, the last stated value under the reporting form. In district court, it was observed that the insurers did not threaten to cancel when monthly statements of value were not reported promptly, and the court said it is the common practice of insured under the reporting form to file tardily. The case

was reported in THE NATIONAL UNDERWRITER of July 15, 1960.

The appeals court pointed out that the clear and unambiguous terms of the value reporting clause provide that non-compliance with the monthly reporting condition through tardy filing limits coverage to the last value reported prior to the loss. This goes to the coverage and not the forfeiture of rights, and Illinois law does not allow an increase of coverage.

The insurance companies were represented by John P. Gorman of Clausen, Hirsh, Miller & Gorman of Chicago, and O. Henry Tent & Awning by M. A. Haft of Haft, Shapiro & Davis of Chicago.

Casualty Assn. Slates Engineer, Safety Talks

Assn. of Casualty & Surety Companies will hold its annual conference for administrative engineers of member companies May 24-26 at Groton, Conn. Leading accident prevention specialists, representing more than 100 capital stock casualty and surety companies, have been invited to the three-day session.

Marcus Abramson, assistant general counsel of the association, will analyze legal aspects of casualty engineering. His talk will be followed by a general discussion.

Guy E. Mann, senior vice-president Aetna Casualty, will present management's view of the functions, objectives and ultimate potential of the casualty engineer. W. G. Dreyer, engineering superintendent North America, will moderate a discussion of present and potential technical problems facing accident prevention specialists.

The conference will close with two morning sessions covering current issues that face casualty engineers. These discussions will be moderated by Donald G. Vaughan, assistant vice-president Aetna Casualty, and A. A. Hansen, secretary Hartford Accident.

J. A. Howse Heads Texas Fire Study Committee

J. A. Howse of Cravens, Dargan & Co., has been named to head the all-industry steering committee of the fire business in Texas to make a definitive study of property rating, with six special committees already named.

Mr. Howse, who was temporary chairman during the organization period, said that the group would keep the department abreast of all progress made by the subcommittees. The committee will be self-supporting and will call on technical assistance as needed, meeting every two or three months to review reports.

The subcommittees and their chairmen are: Internal administration, Raymond L. Mauk, American General; decentralization of field rating, James K. Ruble, Texas Assn. of Mutual Insurance Agents; comprehensive study of the general basis schedule, William M. Vittrup, Texas Assn. of Insurance Agents, and Aubrey Reilly of Texas Insurance Checking Office, co-chairmen; Texas Research League reports, Oram Needham and George Stricker, both of Millers Mutual Fire of Texas, co-chairmen; refinement of classifications and schedules, George Henry, Royal-Globe companies, and scheduling and co-ordinating, Mr. Howse.

French's Affiliation Incorrect

In a recent item reporting the election of Pacific Coast Fire Loss Assn., the company affiliation of its president, Charles E. French Jr., should have been shown as National Union.

Expanded WC Benefit Bill Advances In Minn.

ST. PAUL—With about a week of the Minnesota legislative session remaining, the most important insurance measure to pass either house was that increasing workmen's compensation benefits which the house passed 75 to 43. It now goes to the senate where opposition is expected.

The bill would add an estimated \$4 to \$8 million to the present \$30 million a year paid out by employers in benefits, medical costs and insurance premiums. It sets the maximum average weekly benefit at two-thirds of the average manufacturing wage in Minnesota instead of the present \$35. Since the average wage in 1960 was \$94.75 this would put the 1961 maximum at \$63.

Other major provisions:

—Increase the death benefit from \$17,500 to \$25,000.

—Extend benefits to a person injured on the job to 400 weeks instead of the present 350.

—Change benefits for partial disability from a percentage of partial disability to the amount of actual wage loss.

Rendezvous To Be In Monte Carlo In Sept.

The "rendezvous," annual informal gathering of insurance and reinsurance people from all over the world, will be held this year Sept. 6-9 at Monte Carlo. This has been the site of the affair for several years. Lectures will be given on the situation in the several major insurance markets of the world. There will be a cocktail party Sept. 7.

The Commissariat General au Tourisme et a l'Information of Monaco is handling reservations.

St. Paul Makes Changes In Ill., D. C., Louisiana

St. Paul F.&M. has transferred Donald J. Nord to Decatur as special agent for southern Illinois. He has been special agent at Cincinnati.

At New Orleans, Alton D. Pettet has been appointed safety engineer-premium auditor.

Herbert H. Taggart, state agent for Washington, D. C., has moved his headquarters from Baltimore to Washington.

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H. J. ROBERTS,
Manager - Insurance

All inquiries and contacts
are confidential.

Processing That Aims At Better Decisions Will Save Money

(CONTINUED FROM PAGE 2)

the insurer doesn't need a computer to get started in integrated data processing.

Mr. Jones pointed out that in insurance the entire operation is concerned with the processing of paper work. The manufactured product, the policies, and all supporting records involve the processing of paper work. Because the business also is one of statistics, there is a tremendous volume of data to process.

In 1953 an electronic committee was established at Nationwide to determine whether or not it should acquire a large-sized computer. The committee recommended that the group not acquire a large-scale computer, that it adopt the principle of a totally integrated data processing system but attain it through the block-building approach, and that a systems research and electronic development department be established to study the entire processing problem and make recommendations as to future acquisition of equipment.

Three Times Correct

Later developments have indicated that the committee's action was correct on all three counts, Mr. Jones declared. Thus at the outset the principle was adopted of having responsibility for data processing centered in one neutral spot in the organization. This, he said, gives a better chance of getting the desired results than through committee activity. The objective is to get the proper input data entered into the system at the earliest possible point regardless of organizational segment, eliminate the former

work stations (organizational segments) by manipulation of data within the computer, and to produce the output required by the organizational segments, which then become responsible for interpretation of facts rather than for compilation of facts.

The block-building approach has proved very successful by providing a gradual entry into an integrated data processing system. These, he said, are the advantages:

1. Development of a competent research staff (the entire staff except for one experienced programmer, was recruited from within the organization).

2. Step by step elimination of the error problem (never discount the problem that errors in the current system will create when they show up for the first time as the company converts to a computer program).

3. Step by step improvement of existing procedures (here will be discovered how bad some present procedures are—but at least they can be gradually reoriented towards a future totally integrated data processing system).

4. Most important, economic utilization of electronic equipment—the company has not had to pay overhead costs on equipment it could not utilize at the moment.

Savings Effectuated

The first equipment was a medium-sized card computer in 1955, Mr. Jones reported. Its purpose was to reduce expense. It did a computing job (renewal rating) for regional offices which required the installation of a transceiver network in order to transmit punch card data back and forth.

The savings made possible by this one application were sufficient to pay the cost of both the computer, the transceiver, and then some.

Although using the computer for a single automated procedure, the company was taking its first step towards integrated data processing since company personnel built into this first program error checking routines which enabled them to cleanse the basic policyholder record file of errors and to maintain it in that condition. This means that from then on as additional computer applications were devised, they did not have to worry about the accuracy of the data coming from this particular file.

Next In Input Area

The next computer application was in the input area. This example illustrates how a company can save money, improve accuracy, and get ready for total integrated data processing even though it is actually working on only a segment of the total problem.

Nationwide agents prepare their own policies and forward a copy to the regional office. It had been the custom to have coders take information from the copy of the policy, convert it into numerical codes, and prepare a code sheet which required the coding of 163 digits. In addition they had to check manually the agent's rate calculation. The next step was to key-punch 10 tab cards.

163 Reduced To 11

The policy was redesigned so that it became the code sheet to be used by the key punchers. Then by training, agents in a great number of cases were taught to use numeric rather than alphabetic characters in preparing the policy. By the combination of these two changes necessary coding was reduced from 163 characters to 11. Beyond that, the company was coming as close as possible to having the original document serve as input data. As times goes on and optical scanning equipment is improved, Mr. Jones hopes to make this a reality.

First of all, the computer took over the rate calculation job so that the coders were only concerned with the error cases instead of all the cases. Next, the number of tab cards punched

was reduced from 10 to one since the computer could manipulate the data from the one card and output the 10 cards required.

Expenses in this area were reduced. But just as important, the company was laying the foundation for an integrated data processing system.

Tape System Needed

Card computers were not the answer to the data processing problems, Mr. Jones found. One problem was that they did not have sufficient capacity to handle increasing management data requirements. Also, the work was at the mercy of conventional tabulating equipment both from an input and output basis. What was needed was a tape system. Fortunately, the solid state equipment came out at this time, with lower price tags. The company decided at this point to take a good hard look at the total processing problem so that it could establish its objectives and acquire a computer which would best serve in the next step towards the ultimate goal of a total integrated system.

Their computer study, which covered a period of 18 months, considered in great detail all of the proposals submitted. The basic factors used in rating the equipment were: Utilization, economics, programming requirements, and company representation. The company sought the equipment which would best do its job, and the job was held to only attainable applications. No "blue sky" projections were permitted.

A computer provides the possibility of expense reduction and/or improved management data. Both objectives are important. The question is where to place the emphasis. This was a particularly basic problem with Nationwide since it could go either in the direction of small regionally located computers or in that of a larger centrally located computer. If expense reduction alone were the criteria, there would be some inclination to go in the direction of regionally located computers since that is where daily processing takes place. If management were the prime target, a centrally located computer would become more feasible.

After considerable research on this part of the problem, Mr. Jones and his associates concluded that at least in the long run a program directed at proper management decisions actually had a greater cost reduction signifi-

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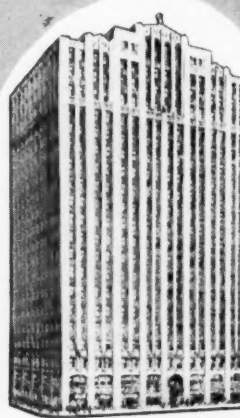
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cance than if they were to aim only in the direction of expense reduction. For example, what is the advantage of reducing the cost of issuing a particular policy if upon examination of proper management data it indicates that the company should not be issuing that policy in the first place? However, he said they are overlooking the cost reduction potentials.

Study indicated that in view of the then available equipment that the company could develop better cost reduction with a large centrally located computer than with smaller regionally located computers.

However, the company is thoroughly sold on decentralization and one cardinal rule is that no computer application will be implemented that impairs the ability of regional management to manage or to provide the best possible service to policyholders and claimants. Presently, though the company is in the process of installing a centrally located tape computer, it is trying to find a way economically to place computers in the regional offices.

Mr. Jones said that the recommendation to top management indicated provision of more, better and faster management data at a reduction in cost, with a tape computer. The cost reduction, based on known applications, projected an estimated savings of about \$1.5 million over seven years. Mr. Jones said the company expects to do better than this.

One of the company's objectives, he said, is to provide quality insurance services at the lowest possible cost. To accomplish this management is not only acclimated to the element of change but is insistent upon it because they realize that nobody can make progress standing still. Since results with the first computer had been demonstrated and since the proposed addition of a tape computer would provide more, better, faster, and more accurate reports plus expense reduction, it was not difficult to get the necessary approvals to proceed.

Two basic requirements for improv-

ing management reports from any integrated data processing system are knowledge of the management data essential to the operations and determination that input data is available to produce the desired management reports.

Theoretically then the first step in developing an over-all data processing system would be to determine what management data is actually needed. In most companies this item apparently causes more trouble than any other in the development of a total system. In fact, the biggest problem of implementing a complete data processing system is acquainting top management with the potentials of a computer system and then getting its members to specify the exact information required.

Makes Management Think

The tendency is to want the same information that has been available, without considering the wealth of additional information (or at least reorganization of present information) made possible by the manipulation of data within the computer which was not feasible before. Or, on the other extreme, they expect the computer to perform miracles by producing reports for which input data is not available. One top Nationwide executive was thoroughly sold on the program if for no other reason than that it would force his associates to think hard on the subject of what management data they needed. Also, they would have to do it earlier to permit sufficient system layout and programming time.

One vice-president, after getting a particular report for some time, decided it was of no value to him. He wrote a memo to the originator of the report requesting that his name be dropped from the distribution list. In reply he received a six page memorandum outlining the reasons why he needed the report. Result: He's still getting the report, and he's still not using it.

To effect a thorough understanding of computer advantages and applications, the company has held 50 seminars with home office and regional personnel since acquiring the first computer in 1955. Within the past three months 145 key personnel have attended all day sessions. These had the purposes of giving them a broad general picture of the new computer system, outlining the present computer

plans, discussing the effects the computer will have on them and the advantage the computer can be to them, and giving them a glimpse of the future in electronic system developments.

He advised as a second step analysis of input data to make certain it is sufficient and essential to the production of the predetermined, desired end-results.

Unfortunately both of these steps are time consuming and an improvement in data processing could not wait on a complete analysis of these areas,

he said. Consequently, the company is converting on the basis of existing input and output except in those cases where a cursory examination indicates that an improvement can be made. It is not, however, falling into the trap of merely converting existing procedures, he said. It is redesigning the group's systems to fit the logic of computer processing. A computer which is installed as a mere replacement of equipment can result in a pretty expensive change and loses most of the advantages a computer has to offer.

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Mathauer Chief Examiner Of Indiana Department

Harold P. Mathauer has been named chief examiner of the Indiana department, succeeding Seymour Rhodes, who is retiring.

In insurance over 25 years, Mr. Mathauer has been secretary-treasurer of United Home Life, comptroller of Jefferson National, and, most recently, treasurer-controller of American Travelers Life.

Agency Marks 50th Year

The J. L. Van Wagoner agency of Pontiac, Mich., observed its 50th anniversary last week with a banquet at Kingsley Inn. A highlight was the presentation to Jack Brannack and Roy Wilton, co-owners of the agency, of a plaque from the London & Lancashire group. Robert Ferbend, secretary and assistant manager of the group, made the presentation. The agency has been located for the past 25 years at 18 East Lawrence Street and it is reputed to be the oldest business organization in Pontiac continuously operating under the same name and with the founder still active in its operation.

DS
CORPORATION

Places domestic and
foreign markets at the
disposal of agent or broker

REINSURANCE
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GENERAL REINSURANCE CORPORATION

Largest American market dealing exclusively in Reinsurance

ALL FIRE, CASUALTY, ACCIDENT AND SICKNESS, BONDING AND MARINE LINES

FINANCIAL STATEMENT, December 31, 1960

ASSETS

Cash in Banks and Office	\$ 8,938,722
Investments:	
United States Govern- ment Bonds	\$29,145,184
Other Bonds	66,631,596
Preferred Stocks	9,240,075
Stocks of Subsidiary Companies	4,133,396
Other Common Stocks	44,899,458
Total	154,049,709
Premium Balances in Course of Collection (not over 90 days due)	6,140,322
Accrued Interest	842,889
Other Admitted Assets	3,989,375
Total Admitted Assets	\$173,961,017

LIABILITIES

Reserve for Claims and Claim Expenses . . .	\$ 53,187,622
Reserve for Unearned Premiums	45,708,431
Funds Held under Reinsurance Treaties . . .	8,436,498
Reserve for Commissions, Taxes and Other Liabilities	9,456,166
Capital	\$ 7,260,000
Surplus	49,912,300
Surplus to Policyholders	57,172,300
Total	\$173,961,017

Securities carried at \$9,729,086 in the above statement are deposited as required by law. Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners; if valued at market quotations, Surplus to Policyholders would be \$53,272,420.

DIRECTORS

JAMES A. CATHCART, JR.
Chairman of the Board

ROBERT L. BRADDOCK
President

HARLEE BRANCH, JR.
President, The Southern Company

REED O. HUNT
*President, Crown
Zellerbach Corporation*

CARL N. OSBORNE
Cleveland, Ohio

HENRY C. BRUNIE
President, Empire Trust Company

N. BAXTER JACKSON
*Chairman, Executive Committee
of Chemical Bank
New York Trust Company*

FREDERICK K. TRASK, JR.
Payson & Trask

ALBERT J. HETTINGER, JR.
Lazard Frères & Co.

EDWARD G. LOWRY, JR.
*Chairman of the Executive and
Finance Committees*

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*Vice President and Governor
T. Mellon and Sons*

WILLIAM A. HOBBS
*Vice President and Treasurer
The M. A. Hanna Company*

ETHELBERT WARFIELD
Satterlee, Warfield & Stephens, Esqs.

LUTHER G. HOLBROOK
*Vice President and Governor
T. Mellon and Sons*

FREDERICK L. MOORE
Kidder, Peabody & Co.

SAMUEL C. WAUGH
Washington, D. C.

Home Office: 400 PARK AVENUE, NEW YORK 22, N. Y.

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Pacific Department: 610 SO. HARVARD BOULEVARD, LOS ANGELES 5, CALIF.

Chief Agent for Canada: 360 ST. JAMES STREET WEST, MONTREAL 1, QUEBEC